NOTE

This Microfiche meets the quality requirements of the American National Standard for Microfiche of Documents (ANSI PH5.9-1975). However, because of imperfections in the document from which it was made, it contains images that are illegible or difficult to read. The source document for this microfiche is the best copy that could be obtained prior to filming.

Congressional Information Service, Inc
Washington, D.C.

S. HRG. 100-64

COAST GUARD AUTHORIZATION

HEARING

BEFORE THE

NATIONAL OCEAN POLICY STUDY

OF THE

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION UNITED STATES SENATE

ONE HUNDREDTH CONGRESS

FIRST SESSION

ON

REAUTHORIZATION OF THE U.S. COAST GUARD FOR FISCAL YEAR 1988

APRIL 9, 1987

Printed for the use of the
Committee on Commerce, Science, and Transportation

U.S. GOVERNMENT PRINTING OFFICE

74-919 O
★(Star print)

WASHINGTON : 1987

For sale by the Superintendent of Documents, Congressional Sales Office
U.S. Government Printing Office, Washington, DC 20402

5261-31

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

ERNEST F. HOLLINGS, South Carolina, *Chairman*

DANIEL K. INOUYE, Hawaii
WENDELL H. FORD, Kentucky
DONALD W. RIEGLE, JR., Michigan
J. JAMES EXON, Nebraska
ALBERT GORE, JR., Tennessee
JOHN D. ROCKEFELLER IV, West Virginia
LLOYD BENTSEN, Texas
JOHN F. KERRY, Massachusetts
JOHN B. BREAUX, Louisiana
BROCK ADAMS, Washington

JOHN C. DANFORTH, Missouri
BOB PACKWOOD, Oregon
NANCY LANDON KASSEBAUM, Kansas
LARRY PRESSLER, South Dakota
TED STEVENS, Alaska
ROBERT W. KASTEN, JR., Wisconsin
PAUL S. TRIBLE, JR., Virginia
PETE WILSON, California
JOHN MCCAIN, Arizona

RALPH B. EVERETT, *Chief Counsel and Staff Director*
W. ALLEN MOORE, *Minority Chief of Staff*

NATIONAL OCEAN POLICY STUDY

ERNEST F. HOLLINGS, South Carolina, *Chairman*
JOHN F. KERRY, Massachusetts, *Vice Chairman*

DANIEL K. INOUYE, Hawaii
WENDELL H. FORD, Kentucky
ALBERT GORE, JR., Tennessee
LLOYD BENTSEN, Texas
JOHN B. BREAUX, Louisiana
BROCK ADAMS, Washington

JOHN C. DANFORTH, Missouri
TED STEVENS, Alaska
BOB PACKWOOD, Oregon
ROBERT W. KASTEN, JR., Wisconsin
PAUL S. TRIBLE, JR., Virginia
PETE WILSON, California
LARRY PRESSLER, South Dakota

EX OFFICIO MEMBERS

APPROPRIATIONS

JOHN C. STENNIS, Mississippi
MARK O. HATFIELD, Oregon

ARMED SERVICES

SAM NUNN, Georgia
JOHN W. WARNER, Virginia

ENERGY AND NATURAL RESOURCES

J. BENNETT JOHNSTON, Louisiana
JAMES A. McCLURE, Idaho

ENVIRONMENT AND PUBLIC WORKS

QUENTIN N. BURDICK, North Dakota
JOHN H. CHAFEE, Rhode Island

FOREIGN RELATIONS

CLAIBORNE PELL, Rhode Island
JESSE HELMS, North Carolina

GOVERNMENTAL AFFAIRS

JOHN H. GLENN, JR., Ohio
WILLIAM V. ROTH, JR., Delaware

LABOR AND HUMAN RESOURCES

EDWARD M. KENNEDY, Massachusetts
LOWELL P. WEICKER, JR., Connecticut

AT LARGE MEMBERS

SPARK M. MATSUNAGA, Hawaii
GEORGE J. MITCHELL, Maine
FRANK R. LAUTENBERG, New Jersey

WILLIAM S. COHEN, Maine
THAD COCHRAN, Mississippi
DANIEL J. EVANS, Washington

CONTENTS

Page

Opening statement by Senator Breaux 1
Opening statement by Senator Trible 2

LIST OF WITNESSES

Yost, Adm. Paul A., Commandant, USCG; accompanied by Rear Adm. Clyde Lusk, Chief of Staff; Capt. Kent Williams, Chief, Programs Division; Capt. Mike Murtagh, Chief, Budget Division 3
Prepared statement 5
Questions of the Chairman and the answers 38
Questions of Senator Bentsen and the answers 49
Questions of Senator Danforth and the answers 50
Questions of Senator Packwood and the answers 56
Questions of Senator Stevens and the answers 56

ADDITIONAL ARTICLES, LETTERS, AND STATEMENTS

Hultman, Maj. Gen. Evan L., (ret.) executive director, Reserve Officers Association of the United States, statement 34
McKinney, C. A., legislative counsel, Non Commissioned Officers Association of the USA, statement 30
Stewart, George W., Jr., legislative committee, National Association of State Boating Law Administrators, statement 32
Text of S. 910 21

COAST GUARD REAUTHORIZATION

THURSDAY, APRIL 9, 1987

U.S. SENATE,
COMMITTEE ON COMMERCE, SCIENCE AND TRANSPORTATION,
NATIONAL OCEAN POLICY STUDY,
Washington, D.C.

The Committee met, pursuant to notice, at 9:30 a.m., in Room SR-253, Russell Senate Office Building, Hon. Ernest F. Hollings, (Chairman of the committee) presiding.

Staff members assigned to this hearing: Jim Drewry, staff counsel and Brad Gilman, minority professional staff member.

The CHAIRMAN. The meeting will please come to order. We are to hear this morning from the Coast Guard on the 1988 authorization.

The distinguished colleague from Louisiana, Mr. Breaux, would you like to make a comment?

OPENING STATEMENT BY SENATOR BREAUX

Senator BREAUX. Thank you,Mr. Chairman.

I thank the chairman for his recognition. I would just like to note that the Coast Guard does indeed perform a number of functions that are central to this Nation's safety and security that no other Federal agency or private interest could adequately provide. In recent years, the Coast Guard's skills have become increasingly important to this Nation as worldwide utilization of marine resources for economic, recreational, and security-related purposes has continued to grow. Furthermore, the Coast Guard has been continually burdened during the last decade with a host of regulatory mandates and responsibilities which the agency has had increasing difficulty in performing. In all fairness, this difficulty is largely attributable to the failure of Congress and the administration to provide adequate resources to match these responsibilities.

Recognizing the fiscal constraints under which we all have a responsibility to operate, I think we have the opportunity today to evaluate whether the administration's budget proposal for the coming fiscal years is adequate to allow the Coast Guard to carry out effectively its major at-sea operational missions including search and rescue, law enforcement, and military readiness. Specifically, the drug interdiction responsibilities of the Coast Guard, both at sea and in the air, have grown to staggering proportions. Drug traffic is literally a moving target and so our response must be equally dynamic. I look forward to learning of what innovations the Coast Guard plans to employ to keep ahead of this problem.

We also have the opportunity today to closely evaluate whether the means of securing funds and providing services as proposed by the President's budget are fair and appropriate to the users and supporters of Coast Guard operations. I am particularly concerned about the administration's proposal for instituting a user-fee program to recover funds from virtually all private vessel and boat owners in the United States. My understanding of user fees is that they should direct target the recipient of a government service and that they should reflect not only the cost but the true value of that service to the user. Furthermore, once collected, user fees should be applied within the agency's budget directly to the cost of providing that service and not to some other extraneous function of the Government. I am very interested in hearing from the Coast Guard as to how the administration's proposal satisfies those criteria for a sound user-fee program and not just another tax.

As the newly appointed chairman of the Merchant Marine Subcommittee, I am also keenly aware of the strategic role that U.S. rather than foreign built ships can play in the defense of our Nation. I am therefore very interested in learning of the Coast Guards plans to procure two new icebreaker vessels for polar service. I believe there is a strong national interest in seeing these vessels constructed in U.S. shipyards particularly considering the recent breeches in our most sensitive security systems worldwide. In times of crisis these vessels will serve a critical function in maintaining unobstructed navigation for our defense and sealift fleets and so their construction should be in the hands of American shipbuilders who are not only patriots but certainly the finest shipbuilders in the world.

Finally, I would like to commend the Coast Guard for its many years of oustanding service to this Nation in times of peace and war. There are many unsung heroes among your ranks and, putting these budgetary questions aside, I think we all recognize and deeply appreciate your fine contributions to our country.

The CHAIRMAN. Very good. Thank you. Admiral Yost, we welcome you and your colleagues this morning. We are glad to hear from you at this time. I have your statement which will be included in its entirety and you can deliver it or summarize it, however you wish.

Senator TRIBLE. Mr. Chairman, let me say a word.

The CHAIRMAN. I apologize.

Senator TRIBLE. You have to look to the right now, not just to the left, Mr. Chairman.

The CHAIRMAN. You are right.

OPENING STATEMENT BY SENATOR TRIBLE

Senator TRIBLE. I am confronting a morning that is very normal in the life of the Senate, Admiral Yost, where I have three committee hearings all at once. I probably will not be able to stay throughout the hearing, but I did want to say at the outset, with the permission of the Chairman, that you are most warmly welcome this day.

And I applaud the good job the Coast Guard does under very difficult circumstances. Your mission has been expanded by the Congress and your dollars have been restrained and that challenges your good people as you undertake your important responsibilities. And I applaud your good efforts and just want you to know that working with my colleagues here, I will do all I can to ensure that you have adequate resources to do your important job. And I thank you, Mr. Chairman.

The CHAIRMAN. Thank you. Senator Pressler?

Senator PRESSLER. No comment but I look forward to your remarks.

The CHAIRMAN. We want to welcome our Chairman of the Foreign Relations Committee, Senator Pell. Do you have any comments you would like to make at this time?

Senator PELL. Not at all except I wanted to come and get the flavor of the meeting and I have to be excused to go onto the Foreign Relations Committee.

The CHAIRMAN. Very good. Thank you. You may proceed, Admiral.

STATEMENT OF ADM. PAUL A. YOST, COMMANDANT, U.S. COAST GUARD; ACCOMPANIED BY REAR ADM. CLYDE LUSK, CHIEF OF STAFF; CAPT. KENT WILLIAMS, CHIEF, PROGRAMS DIVISION; CAPT. MIKE MURTAGH, CHIEF; BUDGET DIVISION

Admiral YOST. I will very quickly summarize, Mr. Chairman. I am pleased to have this opportunity to meet with you and the other distinguished members of the subcommittee to review and discuss Coast Guard's fiscal year 1988 budget request.

Accompanying me today are my Chief of Staff, Admiral Lusk; Chief of the Programs Division, Captain Kent Williams; and the Chief of the Budget Division, Captain Mike Murtagh.

To capsulize my statement, I would say the Coast Guard fiscal year 1988 request of $2.739 billion includes moderate increases primarily for operating expenses, which are necessary to fund follow-on costs of operating facilities acquired through recent capital investments.

Much of the increase is the result of bookkeeping changes that return to the Coast Guard's funding base, programs that were temporarily reimbursed by the Department of Defense last year.

This request, while fully reflecting the national policy to limit the growth in federal spending, will still support top priority programs benefiting the American public. Those programs are drug interdiction, military readiness and maritime safety.

And I ask your support of this budget as presented. I would be happy to respond to any questions, Mr. Chairman.

The CHAIRMAN. The Drug Interdiction Program, Admiral, elaborate on that for the Committee. How are we coming along since we cut back? We gave you the responsibility, an enhanced responsibility, let's say, last year and then we cut back on some of the equipment.

And I would like to know, would this increase requested satisfy what the needs are?

Admiral YOST. The request provides primarily the follow-on operating expense costs for the equipment that was provided, the new equipment that was provided in last year's budget and most particularly the Drug Omnibus Bill.

That includes the two E-2C aircraft that came to the Coast Guard with the other two going to Customs. It also includes the two new C-130 aircraft, sensors for those C-130s, some new patrol boats, new 110-foot patrol boats that we had 16 of in last year's budget and then five more in the Drug Omnibus Bill, so it does include the follow-on costs of people and operating costs for that equipment.

[The statement follows:]

STATEMENT OF ADM. PAUL A. YOST, JR., COAST GUARD, DEPARTMENT OF TRANSPORTATION

Good morning, Mr. Chairman. I am pleased to have this opportunity to meet with you and the other distinguished members of this subcommittee to review and discuss the Coast Guard fiscal year 1988 budget request. I believe that it is appropriate that my first appearance before this subcommittee as commandant of the Coast Guard is to present my first budget request.

Accompanying me today are my Chief of Staff, Rear Admiral Clyde Lusk; the Chief of the Programs Division, Captain Kent Williams; and the Chief of the Budget Division, Captain Mike Murtagh.

At my nomination hearing last May, I stated my belief that drug interdiction, military preparedness, maritime safety and financial responsibility were among the Coast Guard's top priorities. I indicated that our major objectives would include balancing these requirements to provide a well-equipped, well-trained force augmented by a Coast Guard Reserve ready to help us perform our wartime tasks. I also indicated that I was committed to the principle that the Coast Guard must be treated as our fifth armed force.

The budget you now have before you for consideration reflects those views.

BUDGET TOTALS

Total budget authority requested is $2,739 million. Over 70% of this amount, $1,934.8 million plus an additional $30 million proposed for transfer from our boat safety account, is for operating expenses. This appropriation provides for salaries and expenses of most of our personnel and funding for the operation and maintenance of Coast Guard ships, aircraft, and shore units, including facilities recently acquired through capital investments in previous years. $277.9 million is requested to fund capital improvements, including cutter acquisitions, renovations and modernizations; and replacement and renovation programs at selected shore facilities. The $20.1 million requested for research and development will fund the development of techniques, methods, hardware, and systems that directly contribute to increasing the productivity and effectiveness of Coast Guard operating forces. $386.7 million is requested to fund our retired pay account, which provides annuities and medical costs for military retired personnel, their dependents, and survivors.

Our budget totals include funding requests for three appropriations not subject to the prior authorization requirements of 14 U.S.C. 662. However, for the committee's information, amounts requested for these appropriations are as follows: $69.1 million is requested for Reserve training to achieve a Selected Reserve strength of 13,500 members; $15 million is requested for boat safety grants which provide financial assistance to States for the development and implementation of a coordinated recreational boating safety program. Also, $5.3 million is requested for our oil pollution fund pending enactment of oil spill liability and compensation legislation, which we need so badly and which Secretary Dole strongly supports.

The request supports a level of 39,042 military and 5,793 civilian positions.

Our budget request again contains estimates of user-fee collections from beneficiaries of Coast Guard services not directly involving emergency assistance, law enforcement or military readiness.

APPLICATION OF RESOURCES

Drug interdiction

Our budget annualizes the resources to continue the drug interdiction initiatives first funded in fiscal year 1987. One of these initiatives includes operating two E-2C airborne early warning aircraft, transferred from the Navy, to detect air smuggling. In addition, Coast Guard HU-25A Falcon jets are now being employed to intercept and track suspect aircraft and will be reconfigured with new sensors to make them even more effective. We will also jointly staff and operate a command, control, communications and intelligence center (C3I), under construction, with the U.S. Customs Service to coordinate air interdiction operations in the Southeast United States. New secure communications equipment that will enhance operational effectiveness for all aspects of drug interdiction is being bought and installed aboard many of our boats, cutters, and planes.

We propose to continue our law enforcement detachment (LEDET) program. As a part of this program, Coast Guard teams embark on U.S. Navy vessels transiting drug interdiction waters, providing trained personnel and legal authority to board suspect vessels. While ashore between deployments, LEDET personnel augment Coast Guard boat stations, increasing their law enforcement capabilities. Originally,

this program was established as a DOD reimbursable program. This budget proposes the transfer of the necessary funding to the Coast Guard.

Our drug enforcement efforts will be further enhanced by our acquisition of new capital assets and the increased capabilities of our existing capital assets. For example, by the beginning of FY 1988, the first 16 of our island-class 110-foot patrol boats will be delivered and operational. In addition, a contract for construction of another 21 patrol boats was just awarded on February 11th. Also, by the end of FY 1988, eleven of the thirteen 270-foot medium endurance-class cutters will be operational or delivered, all of the ninety-six HH-65A short range recovery helicopters will have been accepted, as well as three new HC-130 long range surveillance fixed-wing aircraft. Five of thirty-six surface search radars (FLARS) for the HC-130 will be delivered and six airborne surveillance systems (AIREYE) will be in operational use on HH-25A medium range search aircraft. Further, by the beginning of FY 1988 we will have one fully operational sea-based Aerostat surveillance system to enhance our drug interdiction mission and depending on delivery schedules as many as four more by the end of the fiscal year.

In addition, significant progress is being realized in the renovation, modernization and service life extention rehabilitations of our 378-foot and 210-foot major cutter classes. Although most of our capital assets are multi-mission in nature, all of them play a primary role in our drug interdiction mission.

Military preparedness

President Reagan's January 1987 "National Security Strategy of the United States" contains this statement: The United States must maintain effective and robust Reserve and National Guard Forces, trained and equipped at levels commensurate with their wartime missions, as well as Coast Guard and other capabilities which support the national security establishment.

Our FY 1988 budget request supports this policy. I have already described some of our capital assets in terms of their contribution to our law enforcement efforts. They will also add—equally and significantly—to our military readiness posture. I have already mentioned that we are proposing funds to increase our Selected Reserve to a new strength of 13,500. Our budget also proposes restoring to the Coast Guard resources for operations and training related to our defense and military readiness missions. In FY 1987 Congress provided for funding of these resources on a reimbursable basis by DOD.

This budget also contains an initiative to enhance existing port security capabilities while broadening the scope to include anti-terrorism activities. This shift to include a focus on terrorism prevention recognizes our newly expanded responsibilities for port security while simultaneously increasing our ability to mobilize in the event the maritime defense zones are activated.

Maritime safety

We have always allocated a significant portion of our budget base for marine safety programs—search and rescue program costs alone exceed one-third of a billion dollars. This budget continues support for this essential mission area and includes follow-on funding for operating a new air facility and to provide for phase III of our rescue swimmer program. It will also fund follow-on maintenance costs of waterways aids-to-navigation projects funded in previous budgets. In addition, resources are being requested to upgrade auxiliary training nd administration. The auxiliary is one of the most cost-effective organizations of its kind—in FY 1985 it was responsible for saving 472 lives and some $185 million in property.

Our budget also addresses the asfety of our own personnel by requesting funds for diving decompression chambers and boat crew survival equipment.

Financial responsibility

There are a number of items included in our budget that reflect reductions because of savings realized or expected to be realized. Some of these items have been included before, such as our solar aids-to-navigation cost avoidance resulting from the conversion of battery-powered aids-to-navigation to solar power, the lighthouse automation program personnel reductions, and reductions to be taken under OMB Circular A-76.

Other items reflect increases but should result in long-term economies or costs to be avoided through increased efficiency and effectiveness. Examples of these include follow-on funding for our distributed computer system, vessel logistics support, and logistics support for our new aircraft.

The Coast Guard budget again this year anticipates collection of user fees. Fees for direct services involving a transaction (e.g., issuing licenses) would be set to re-

cover the cost to the Coast Guard of providing the specific service. Fees for other services would be set in proportion to the Coast Guard's cost of providing the availability of the services to each class of users—recreational, commerical fishing, deep-sea commercial, and inland commercial. It is anticipated that such fees would yield approximatly $355 million in FY 1988 and $474 million per year thereafter. The cost of Coast Guard programs that benefit the general public (e.g., defense preparedness, law enforcement, and polar ice operations) would not be included in the user fees because they are core functions of government that benefit all taxpayers. I am a firm believer in the principle of user fees and urge your support for the administration's forthcoming legislative proposal.

OTHER AUTHORIZATION REQUESTS

An authorized end-of-year strength for active duty personnel of 39,042 is requested. Authorization of military training student loans for various types of training is also requested.

In addition, a legislative change is being requested that would reallocate the amount the Secretary is authorized to expend of the amounts transferred to the boat safety fund from the highway trust fund. Except for FY 1987, the amount normally authorized for this fund has been $45 million with the authorized allocation being two-thirds to the states and one-third to the Coast Guard. Our proposal seeks a permanent reallocation of the funds transferred to the boat safety account to one-third for the States and two-thirds for the Coast Guard. The Coast Guard spends over $200 million annually on services provided for recreational boating safety. This proposed change in funding will shift a greater portion of the costs of Coast Guard services directly related to recreational boating safety from the general taxpayer to the beneficiary population.

Other changes requested are mainly technical amendments to title 10 and title 14 of the United States Code.

Requested authorization of appropriations for 1989 are for "amounts as may be necessary." The estimates included for 1989 in our 1988 budget are planning estimates.

SUMMARY

The Coast Guard's FY 1988 request of $2,739 million includes modest increases primarily in our operating expenses appropriation, which are necessary to fund follow-on costs of operating facilities acquired through recent capital investments. Much of the increase is the result of bookkeeping changes that return to the Coast Guard funding base programs that were temporarily reimbursed by DOD last year. This request, while fully reflecting the national policy to limit the growth in Federal spending, will still support top priority programs benefitting the American public—drug interdiction, military preparedness, and maritime safety. I ask your support of this budget as presented.

I will be happy to respond to any questions you or the other members of this subcommittee might have.

The CHAIRMAN. Very good. Senator Pressler?

Senator PRESSLER. I have no questions.

The CHAIRMAN. Senator Breaux?

Senator BREAUX. Mr. Chairman, I have some questions but I would be happy to yield to the Chairman of the Foreign Relations Committee.

The CHAIRMAN. Very good.

Senator PELL. I thank you very much indeed, Senator. And I guess I have a subjective interest as a retired Coast Guard Reserve officer myself, but I am always struck by the fact that we assign more missions to the Coast Guard, drug interdiction, fishing patrols and things of that sort and do not give them budgetary means to go with it.

I know that you have a tremendous interest in the ocean, Mr. Chairman, and these are your tender mercies but I think that in the past, the Coast Guard at least for many, many years, as I have seen, does not ask for what they really need. They have that old motto: In our obscurity lies our security.

And I just hope very much indeed that they would really press for what they need to do the job they are assigned. And I wish them well. And admire the service very much.

Admiral YOST. Could I respond to that, Mr. Chairman?

The CHAIRMAN. Yes, sir.

Admiral YOST. It is wonderful to see you here, sir, probably the only member of the Senate who is a Coast Guard officer, a Commissioned officer and has been for many years.

I would respond to your comment by saying that with the Gramm-Rudman-Hollings Act facing all of us, the President sends up a budget that is a very tight budget. And for the Coast Guard, I think it is a particularly tight budget. It is one that I can support.

It is a budget that does provide those things that we need and those priorities. My great fear is that within the Function 400, that there will be a temptation within Congress to take some of the money out of the Coast Guard allocation within Function 400 and move it to other programs that are grant programs within that function.

So my plea to Congress and to the Senate at this time would be to give us those things that are in the President's budget. I am not asking for anything beyond the President's budget but I am very concerned that we will see in the Congress money taken out of Function 400 and shifted from the Coast Guard to other programs.

The CHAIRMAN. Well, that is a concern of mine. That is why on the budget that I submitted which was voted on yesterday, it includes the full amount. That Function 400 was cut back, as you say, in the other budgets.

And I have the money for it. We want to pay for it. It is good government and it ought to be paid for. I am tired of spending our children's and grandchildren's money and it is time we spend some of our own. So we have revenues in there.

Senator Trible.

Senator TRIBLE. Thank you, Mr. Chairman. Admiral Yost, in your personal and professional opinion, what are the needs of the Coast Guard beyond those covered by the budget submission this year?

Admiral YOST. You have in front of you, I think, or have requested of the Coast Guard what we normally call the three part list. And I think what you have asked me is what do I need above and beyond what the President's budget is? Is that the question?

Senator TRIBLE. Yes, it is.

Admiral YOST. You know that is a very difficult question for any member of the administration. You really put me on the——

Senator TRIBLE. That is why I asked you to respond in your personal and professional judgment.

Admiral YOST. I heard you. You have in front of you or I think you have requested basically what we call the three part list, which is what the Coast Guard submitted to the Department, what the Department then submitted to the Office of Management and Budget and then what the President submitted to Congress.

And that list shows what the Coast Guard felt, at least at the beginning of the budget season, what we would like to have and what we needed, et cetera. That is somewhat greater than the President's budget.

I have told you I am supporting the President's budget. My great fear is that somehow in Congress we are going to get considerably less than the President's budget because members of either the House or the Senate are going to be concerned with grant programs that provide for urban mass transit or highways or tunnels or something in their own states and districts and the only place to get that money in Function 400 is from either out of the Coast Guard or FAA.

So my plea is leave in what the President has put in our budget. And I am not pushing for anything more than the President's budget. That three part list, you can, of course, if you don't have have it, request it and we will be forced to send it to you.

Senator Frible. Admiral, you are not answering my question. If you would not like to answer it, say so. I will restate the question in different terms. What I would like you to do is simply tell me what are, in your judgment the priority requirements of the Coast Guard?

What are the areas that demand our attention or demand the resources of our government at a time when there are not a lot of dollars to go around?

Admiral Yost. I think the first resource demand is drugs. I will discuss that in a minute. I think the second demand are icebreakers. And I have informed those icebreaker users in this government and the Congress that the Coast Guard is getting terribly short of polar icebreakers.

We have an icebreaker study that shows we need four icebreakers. The Coast Guard currently has four polar icebreakers of which it currently has, which will leave us with four.

Of the four we have, two of them are approaching 40 years old and only have four or five years maximum life left in them. The other two are the new Polar ones that have a lot of life left in them, but we could be in four or five years down to two polar icebreakers.

And if we are going to be a presence in the Antarctic and carry out Antarctic treaties, if we are going to be a presence in the Arctic, we need four polar icebreakers.

That is a major need. It is reflected in this budget by having $2 million in order to study the possibility of leasing an icebreaker rather than buying an icebreaker and manage that leased icebreaker with a civilian crew.

I think that is a critical need. It needs to be addressed. It is at least partially addressed in this budget.

In our drug business, we have pointed out that we need all of the air assets that we can get. That was addressed in the Drug Omnibus Bill by giving us two E-2Cs and $45 million for sensors on our Falcons. We are proceeding with that and it meets the immediate need of getting started in the area. It doesn't solve the interdiction problem.

Our personnel levels have been at 38,000 personnel for the last four or five years. There is 1,000 new personnel in this budget. I hope that we get them. That will be the first thousand that we need on about a 2,500 people requirement in fiscal 1988 and fiscal 1989. In fiscal 1988 and 1989 then, I need 2,500 people. I am going to get 500 of them by realigning the entire Coast Guard in order to come up with 500 people out of hide. I am asking for 1,000 in this budget. That is 1,500. And you can guess that in 1989 I will be asking for the remainder.

Those are critical needs and we need it to address the drug problem. We need to man new icebreakers. And I would say those are our priority needs.

Senator TRIBLE. Admiral Yost, I thank you for that. It is very helpful. Mr. Chairman, I would request that the Coast Guard's three part list, which sets forth the needs and wants of the agency, be made a part of the record.

The CHAIRMAN. It will be included, yes, sir.

DEPARTMENT OF TRANSPORTATION, U.S. COAST GUARD, THREE STAGE BUDGET REQUEST

[In thousands of dollars]

	FY 1988 Budget Authority		
	OST	OMB	Congressional
Operating expenses	1,968,017	1,944,066	1,934,813
Acquisition, construction and improvements	829,600	641,300	277,893
Alteration of bridges	19,000		
Retired pay	389,775	389,775	386,700
Reserve training	74,476	69,200	69,142
Research, development, test, and evaluation	25,000	20,000	20,119
Offshore oil pollution compensation fund	1,000		
Deepwater port liability fund	1,000		
Pollution fund	5,300	5,300	5,300
Boat safety	45,000	45,000	[1] 45,000
Gift fund	80	80	80
Total	3,358,248	3,114,721	2,739,047

[1] $30 million proposed to be funded toward Operating Expenses.

Senator TRIBLE. Thank you, Mr. Chairman.

The CHAIRMAN. Along with Senator Trible's question, what about helicopters? If we have a loss at sea, a search mission, in my own home town in South Carolina we have the Sullivan's Island, a wait of two hours by helicopter to come back up and make the search.

They have been closing down over the years with an increased responsibility. The station up on Sullivan's Island is minimally operated. And they have been cutting back and cutting back down there. So we used to have the Coast Guard, a full complement, even the funds for the reserve has been cut back.

Admiral YOST. Mr. Chairman, let me first cover our helicopter needs and plans. As you know, we are operating a number of long-range helicopters, we call the H-3. Those were the helicopters that figured so prominently in the rescue of the 57 people recently. Those are long-range helicopters. We don't have them at every helicopter station.

In fact, we didn't have any at Cape May. Those helicopters had to come out of Cape Cod in order to fly to an area directly off Cape May to make that rescue and then come back into Atlantic City.

Those helicopters are old. They are near the end of the service life. We are replacing those helicopters with the Black Hawk, a version of the Black Hawk helicopter, the H-60, and we now have 17 contracted and we have got 15 more to go.

So we are planning for a total of 32 of those helicopters to replace our own H-3's. That is going to be over the next several years.

We have just replaced by contract our H-52's with the H-65, which is a French helicopter made by Aerospatiale. We are going to get 96 of those in total, and by the end of fiscal 1988, we will have that delivery complete. So we are replacing in the next several years all of our helicopter fleet.

Talking specifically about your area, many areas are served by a central air station. And I think your area is served primarily by Savannah, with weekend deployments to Charleston.

The CHAIRMAN. Central to what? That is long distance, that is not central. Central to what? That is what I am saying. It takes you two hours to get up to even find the town of Charleston much less to find someone lost at sea.

That word sounds pretty, central, but I don't know anything central about Savannah to Charleston.

Admiral YOST. Well, we do not have any plans at this time, Senator, to place a full air station in Charleston. If you would like me to look at that, I will. It is certainly not on our list of things to do at this point.

The CHAIRMAN. Well, definitely look at it. I see other equipment—jets—that fly around and everything else like that, not under your command but in an earlier command. I have seen them in India, the Coast Guard plane. That is what the Secretary of Transportation has been using the Coast Guard for.

I would like to get more attention down to the air rescue work and safety because I am not worried about icebreakers. I am worried about the regular performance of the Coast Guard in keeping the reserve up and everything else like that for regular marine safety and rescue work. And it is not being carried on.

It has been diminished, diminished, and diminished and from your answer, we are not even thinking about it. You used to have it. We cut back.

Senator Breaux.

Senator BREAUX. Thank you, Mr. Chairman. Thank you, Admiral Yost, for your testimony and your colleagues. I would like to just pursue for a moment some of the questioning on something that doesn't have a lot to do with the Gulf of Mexico and that is icebreakers, that you have a real need for down there.

In the 1984 Coast Guard authorization, Congress directed the Coast Guard to proceed to procure two icebreakers. Can you give me the status of where we are? I think the date we required them to be operational was about 1991. What is the status of that and what are we doing to meet that Congressionally-authorized mandate?

Admiral YOST. The law required that we design and build and have operational two new icebreakers by 1991, in that time frame. We have designed an icebreaker. We have worked very closely with the National Science Foundation in the requirements for that icebreaker because they are one of the major users, as is the U.S. Navy.

The icebreaker design, the preliminary design is now complete. And we now need to get on with either building or in some other way procuring an icebreaker. In looking at this year's budget, we planned this year to start the icebreaker procurement but there were a couple of unsolicited proposals that came in from industry that suggested to us that maybe we ought to look at leasing an icebreaker with either a boat charter or a time charter, an icebreaker that would be built with private money and perhaps it could either be built foreign or built U.S., whatever the law required on that, and then the Coast Guard take over that icebreaker.

Senator BREAUX. (Presiding) I appreciate the industry's recommendation. What was our own government's recommendation? What did OMB recommend in keeping with what Congress mandated in 1984?

Admiral YOST. Well, the Office of Management and Budget's suggestion on this thing, that is reflected in this budget, that we take a hard look at whether leasing would solve our problem. There is $2 million in this budget in order that we might procure, we might proceed on studying the leasing possibilities.

Now, if we could lease an icebreaker, we would have an icebreaker, that icebreaker could be in place by 1992, 1993, or 1994. If we are going to build an icebreaker, as originally planned, this would delay that icebreaker to the 1993-1994 area as well.

Senator BREAUX. Looking back to what we did in 1984 when we said: The Coast Guard will procure two icebreakers to be operational by fiscal year 1991, we are kidding ourselves. We are not going to meet the mandate that Congress passed, adopted, signed into law in 1984, are we?

Admiral YOST. No, we are not going to meet that requirement. And that requirement is impossible for us to meet either by leasing or building at this point in time.

Senator BREAUX. That is the question I would like to maybe address. What happened? The Congress rightfully or wrongfully enacted a law. And the law said in 1984's authorization we need two operational icebreakers by 1991.

And now the testimony is, well, we are thinking about leasing. We are thinking about building one. Neither one is going to be anywhere close to being operational by 1991.

Did somebody at OMB just ignore what Congress said in 1984? What happened?

Admiral YOST. I think that there is some blame on the Coast Guard as well. In 1984 we began a design, there were some fits and starts in that design as we looked at various requirements of the other agencies. National Science Foundation, ourselves and Navy.

We reported to Congress at some point last year, that we weren't going to make that schedule of the 1990-91 time frame and would probably be 1992-93 at best. Then when the unsolicited proposal and the other ideas came in, OMB felt we ought to take a look, because of the amount of money required to build an icebreaker, to see if we could lease instead of buy and so that has put us off so we couldn't make the 1990 or 1991 target.

There is blame on both the Coast Guard in getting this design up front and done and now the delay in looking at the lease.

Senator BREAUX. What is the Coast Guard recommendation as to the best course of action to meet the national interest and the mission of the Coast Guard? Would it be to lease an icebreaker from private industry or to have one constructed? If we have one constructed, where would it be constructed—in a U.S. yard or in a foreign yard?

Admiral YOST. I think from a purely operational point of view, from my view as the Commandant of the Coast Guard, I would much rather own an icebreaker, built to Coast Guard standards and man it with Coast Guard people. That is a third of a billion dollar item. That is a $300 million to $400 million item.

And so when others in government that are responsible for the budget ask me or tell me: Take a look at leasing, you will save the taxpayer a third of a million dollars, I say, yes, I will take a look at that because even though I would rather own it and operate it, maybe I can do most of the same things by leasing it.

So I am willing to take a look at that if it will save that kind of money.

Senator BREAUX. If you leased it, you would have obviously complete and total control. Would it be manned by Coast Guard personnel?

Admiral YOST. If we leased it in all likelihood, what we are looking at now is having it manned totally by civilian personnel. Whether we would leave one or two people aboard it or three or four people aboard it for communications and command control, we haven't decided one way or the other. It is possible we would have no Coast Guard personnel aboard it at all.

Senator BREAUX. Would it not be a charter-type operation?

Admiral YOST. Probably the operating company, the company that is leasing it to us, they would charter it from the bill. They would time charter it to us with a crew. That is the scheme that is being proposed and one of the schemes we are looking into.

Senator BREAUX. When can we expect a final recommendation on this whole matter?

Admiral YOST. We are hoping that in the 1989 budget that we will have money either for lease or buy of an icebreaker. We have much more interest from industry than we had anticipated.

We had a pre-bid conference, 38 companies came and showed interest in doing that. It is a complex thing and before we do it, we are going to have to come to this Congress with enabling legislation to allow us to charter or to enter into a long-term lease and so this Congress is going to have a say on that as well.

We couldn't put that out for bids until we have enabling legislation. So it is going to be very tight getting that in the 1989 budget but that is where I want it.

Senator BREAUX. I think everyone on this Committee would encourage you to move forward as rapidly as we can in keeping with what the dictates of sound judgment policy happens to be and bearing in mind, we did this authorization in 1984. And we still have not yet even reached a decision on the direction that we are going to go.

I don't really have a problem with a lease arrangement if it meets the requirements of the Coast Guard. If it saves the taxpayers money, we could use the money to run the boat an extra amount of time, perhaps, put it in a greater amount of surplus. So I think it is something that ought to be looked at to come up with sound policy.

I recognize the Senator from New Jersey, Senator Lautenberg.

Senator LAUTENBERG. Thank you very much, Mr. Chairman. I will be very brief. I have a committee to chair.

I think the Admiral and his colleagues know that this Senator is not only a friend but an aggressive supporter of the Coast Guard. New Jersey has a vital interest in the activities that your valued department performs and, Admiral, I want to reduce this to a very narrow area.

I support the full funding for the Coast Guard, as I would imagine the Chairman of the Committee does. Admiral Yost, in 1985, there was language in the Coast Guard authorization bill related to a body of water—I use the word body loosely—known as Lawyer's Ditch in Newark.

Are you familiar with that?

Admiral YOST. Lawyer's Ditch?

Senator LAUTENBERG. It was a non-navigable waterway and they had to bridge it. It wasn't a unique solution to a problem because it has happened before.

The problem that we face now is one in another area of New Jersey. It involves an unnamed body of water. I wish we could find a different name for it. It is in the city of Camden. It lies in the way of a resource recovery construction project and I thought that your staff had been aware of this.

I have pictures of it. It doesn't tell you much except that you couldn't get more than a row boat there. And I have a boat and I know I wouldn't take it up there, not without calling the Coast Guard for help. It is not much of a waterway.

What I would like to do is have you consider reducing this from the status of even the possibility of a navigable waterway and to give us some help, if we have a legislative remedy to this situation similar to the Lawyer's Ditch.

Admiral YOST. I think we are familiar with that situation. And I do not see any objection to doing that. Since it is unnamed, I would certainly appreciate it if we could name it Commandant's Ditch. Then I would declare it non-navigable.

Senator LAUTENBERG. Not before its expiration, you do not want to do that. I sure do not want it named for me, but I would appreciate it if you would consider the naming. If there is someone who has been unkind in the Senate or the House, we can name it after that person.

Admiral YOST. Thank you. Maybe I can consult with you afterwards on that. We will take care of the non-navigability.

Senator LAUTENBERG. Thank you very much.

Senator BREAUX. Thank you, Senator. Let's talk about user fees, year-in, annual, the recommendation from the administration with regard to user fees.

Last year I think this Committee proposed a stamp to be purchased by recreational boat users which would generate X amount of dollars, I think about $50 million a year, to help pay for some of your services. It was lost in conference with the House.

Has that been considered by the Coast Guard in making what I think is a general recommendation on user fees? We haven't seen any legislation from the administration on it. What about the stamp concept that this Committee had?

Admiral YOST. We did take a look at that proposal. In that proposal, Senator Stevens was, I think, instrumental in proposing that or one very similar to it. I did talk to Senator Stevens at some length about that particular proposal.

What we have now is an administration user fee bill that has been staffed through the department, has been staffed through the Office of Management and Budget, is now back in the department. And I would expect it to be on the hill in the very, very near future.

It is a bill that will provide about, as I remember, $355 million in user fees the first year and $474 billion in years thereafter. And it takes those user fees from a number of constituencies or a number of parties, one of the parties being the pleasure boater. And it is based on the same kind of principle you just discussed, that is, a set fee for each pleasure boat.

And the collection of the fee could well be by a stamp, it would be affixed to the windshield or something along those lines, but it is right along that kind of thinking.

Senator BREAUX. Boaters would argue that they pay approximately $100 million a year in motor boat taxes a year. They are already paying for your services. What you are saying is you are going to charge them again not based on the amount of services that we render to you but regardless of whether we ever tow you in or provide you any kind of a search and rescue service whatsoever, and then what you are recommending is a tax because it is not based on service or use of any services from the Coast Guard. And we are already being taxed 9 cents a gallon on fuels tax, so isn't this a second taxation?

What is the rationale? It is not based on the amount of service they get.

Admiral YOST. The rationale that we base this on is we have looked at how much the Coast Guard is spending in providing services to the boater in general, which is about $200 million. We subtract from that

$200 million the $30 million we are getting from the gas tax. So that gives us $170 million.

Then we have apportioned that $170 million amongst all recreational boaters by the use of the user fee. That is the rationale.

Senator BREAUX. Looking at the general user fee statute, it has certain requirements on what user fees should do and not do. It seems to me that the proposal does not meet the requirements of that existing statute on what user fees are supposed to cover and how they are supposed to be implemented.

Can you tell me anything about that?

Admiral YOST. I don't think that I can address that. Would anybody here at the table feel—let me ask Captain Murtagh, Chief of my Budget Division, to speak to that subject.

Captain MURTAGH. Good morning, Senator. The user fee statute does not deal with indirect costs and this is what we are talking about. That is why we are proposing legislation where we get congressional approval for the user fee because it will be an indirect charge.

Senator BREAUX. So it is clear that the user fee that the administration is considering at the present time would not meet the existing requirements of the general user fee statute, which requires that user fees cannot exceed the cost of the services that the person is receiving; isn't that correct?

Captain MURTAGH. We cannot make a direct relationship between a given boater and the services we provide to them, the overall cost due. But to prevent a court test in that type of thing, we are asking for legislation to prescribe the fees by law.

Senator BREAUX. I think it is pretty clear that you do not meet the requirements of the existing law with regard to user fees with this proposal. That is why you are asking for a change in the law, right?

Admiral YOST. I don't think we could object to that. I would also say to you that this last week I made a speech in Salt Lake City and some of the boaters there let me know right away they didn't think the Coast Guard was providing enough services on the lakes of Utah for them to pay a user fee.

So there is going to be some folks that aren't going to be very happy with this user fee. Whether it meets the absolute requirements of the law obviously, we are anxious to get some legislation so that we don't have a court case on that.

Senator BREAUX. On the administration's user fee proposals, would not people be charged who have no potential of receiving any Coast Guard services?

Admiral YOST. I think that is very possible. As I say, on some of the lakes of Utah, we don't have Coast Guard forces on those lakes and so normally that boater could not expect to get Coast Guard services.

Senator BREAUX. Don't you think we ought to call it something other than a user fee?

Admiral YOST. That is above my pay grade.

Senator BREAUX. Because if you have no potential to ever use the services and yet you are being charged a fee for those services, it seems like we ought to be laughed out of somewhere.

Admiral YOST. Maybe we could call it a boat stamp.

Senator BREAUX. At least if it is a duck stamp, you get to shoot at a duck, though.

Admiral YOST. Only if one flies by, sir.

Senator BREAUX. The potential for it flying by is there. I think we have exhausted the user fees. Obviously I think that the proposal is on thin ice in the sense that, one, it doesn't follow the current law with regard to how the user fees are supposed to be handled without it changing the law. I recognize it is a problem.

I have seen the administration's past history on user fees. It is not very pretty. The Wallenco Miranda is a classic user fee for fishermen in this country. Every year we have had it on the books, the administration has come in and tried to rip the money off and put it in the general operating account to pay for salaries.

So the history of user fees in that area and the history of what they say about the user fee in the highway trust fund is not very pretty from the standpoint of saying: We are going to embrace another user fee. It is hard to sell it to the public because, quite frankly, they just don't believe us, that it is going to be used for the purpose in which it was sold to the general public. That is one of the many problems we have.

Let's talk about drug interdiction and the movement and interrelation between the Customs Service and the Coast Guard with regard to interdiction of drugs.

Can you tell the Committee the basic differences between the role of the Customs Service in drug interdiction vis-a-vis the role of the Coast Guard and how is cooperation being established or not established between the two agencies, services?

Admiral YOST. The entity within government that has the responsibility to lay out the policy and therefore the roles of Customs and of the Coast Guard is the National Drug Policy Board that is chaired by the Attorney General.

That board is a cabinet level board made up, amongst others, of the Secretary of Defense, Secretary of Treasury, Secretary of Transportation in addition to the Attorney General. Recently HEW and others have been brought in to that board.

The Coast Guard and Customs both have a responsibility for interdicting drugs and enforcing drug law within the territorial sea and within Customs waters of the United States. And, in addition to that, the United States Coast Guard has the responsibility for enforcing U.S. law, including treaties, on the high seas.

The Coast Guard is active on the high seas and in the territorial sea and in Customs waters. Customs is also active in Customs water and in the territorial sea.

The air interdiction problem, the advent of air smuggling, has complicated this somewhat because those aircraft fly over the high seas enroute to the Customs waters, the territorial sea and then the inland portion of the United States.

Customs has absolute total responsibility for Customs law within the territory of the U.S. and shares that responsibility with the Coast Guard in the territorial sea and within Customs waters, and the Coast Guard exercises it on the high seas.

However, when an aircraft flies over the high seas, Customs now has aircraft that are operating over the high seas to assist them in the interdiction. So we need to cooperate in those areas.

The Drug Policy Board has blessed an agreement that provides the division of responsibility there and has a requirement to report to this Congress, a report by the President, by the end of May, some time in May, on how this government is going to separate out lead agencies and areas of responsibility. And that report will be made by the President. Mr. Reese is now working on it, the Policy Board is laboring with it. And I can't tell you exactly how they are going to do that at this time.

Senator BREAUX. How would you respond to the charge or observation we have had from some that says, look, we have people in our own government stumbling over each other with regard to drug interdiction. We have a Navy that wants a piece of it, Customs service trying to expand their jurisdiction, arguments about where people should be located, that would really lead one to believe that we have real bad jurisdictional problems with regard to who does what and where they do it.

Is that a legitimate concern and criticism?

Admiral YOST. I think it is definitely a legitimate concern. I know the Attorney General is concerned with it and is working on the problem at this time and is required to report to the Congress by the end of May on how he is going to sort that out.

Two or three problems have been sorted out by the Policy Board. One, the decision has been made to have a joint command of the command, control, and communications center. The location of that center has been agreed to by the Commissioner of Customs and myself to be in Richmond Heights in Miami.

The Commissioner of Customs and myself, with the blessing of the Policy Board, have agreed that we will jointly command that site, which means one unit commands it for two years and then the command is rotated every two years and jointly manned all the way down through the command structure.

So some things have been sorted out and have been blessed by the Policy Board and there are some other things to do.

Senator BREAUX. Some argue that the Air Force base would have been a better location for that facility. Was that the recommendation of the Coast Guard?

Admiral YOST. Well, it was the recommendation of several people very early on, but since that time, I have agreed with the Commissioner of Customs to place that center in Richmond Heights in Miami because of some concerns that he had. It was a joint center. It wasn't my total call.

In fact, the Congress gave to Customs all of the money and total responsibility in placing and operating that site and required them only to consult with the Commandant of the Coast Guard, which they are now doing.

So if I had my choice, I might have placed it someplace else. I now agreed to place it at Richmond Heights.

Senator BREAUX. Thank you, Admiral. I recognize the Senator with the greatest coast line in size, longest not necessarily greatest.

Senator STEVENS. Thank you very much, Mr. Chairman. I am pleased to be here again with my good friends from the Coast Guard.

Last year we gave you $250 million out of the Defense Committee's budget appropriation. I just left that subcommittee. The President's budget request this year reflects a need to annualize that operating expense problem.

Do you feel that the budget authority that is requested here will be sufficient to avoid the problem related to taking money from the defense bill this year for your agency, Admiral?

Admiral YOST. I think that the Coast Guard has an AC&I need annually, leveled annually, averaged annually between $500 and $600 million. I have said that before. I have said it many times and I have the figures and facts to back that up.

Now, over the years the ACI budget within the Coast Guard budget has been considerably beneath that. And over the years, you and other members of the Senate have seen fit to take money from the DOD account and augment our AC&I account so that we have averaged over the years, including this year, about $500 to $600 million a year.

I think it averages out to about $550 million. I think we need that as an average in perpetuity, with cost of living added to it. We now have in this budget, which I am supporting, a $278 million ACI for this year. When you average that in with the previous years and the things that you have gotten for us and other senators with you, it averages out to about $550. We can live with it this year. We cannot live with it in perpetuity. We need an average of $600 million a year.

Senator STEVENS. I think we are going to have to to raise this during consideration of the budget resolution this year because I don't think we can add that much money into the defense budget for the Coast Guard AC&I account this year. I will have to look at it but I do hope that we face your AC&I deficiency prior to the appropriation process.

I think we have to obtain increased funding levels in the authorization and budget resolution if you need more money for AC&I.

I noted in your opening statement, and I did look at that last night, that you failed to mention fisheries patrols as being as high a priority as drug interdiction and other activities of the Coast Guard. Are we to take any indication from fisheries enforcement has been downgraded as far as the Coast Guard objectives are concerned?

Admiral YOST. What I have done, Senator, when I became Commandant is set what I call three priorities and those were things that I felt needed my personal attention and the Coast Guard was not doing as well as it could.

The two of those of most concern to me were military readiness and drug interdiction. I felt we could do a better job at those. The other things that we do, search and rescue, aids-to-navigation, fisheries patrol, that is our bread and butter. That is where our expertise is. Those are the things we are going to continue to do with the level of expertise that we currently have.

I didn't feel that they needed my personal priority and intervention to make us do them better but we don't intend to back off one bit in the Alaska fisheries patrol, along the east and west coast. Those are critical. That is the bedrock of what the Coast Guard does and is recognized for.

We are going to be right there with you, sir.

Senator STEVENS. I am happy to hear that. I don't know if you had time to look at it yet, but I have introduced a bill, S. 910, to deal with the problem of giving housing assistance to Coast Guard employees who are relocated as part of consolidations or major moves of the Coast Guard.

When I looked into the problems that developed in Juneau I found that the Coast Guard does not have the same authority that the DOD has with respect to the other branches. Although you are a military agency in war time, in peace time you don't have the same authority the DOD has in peace time when they close a base or consolidate activities. They can assure their employees, particularly with regard to housing, that they are not going to take and suffer major losses because of relocations.

The Juneau housing market, as everyone knows, is terrible. If your people have to sell their houses on the Juneau market right now, they are going to take a real bath. And they are going to further disrupt the housing market in Juneau. I am hopeful that the Congress will extend to the Coast Guard the authority that you would have if this were war time to deal with the relocation of these people.

Have you had a chance to look at that, Admiral?

Admiral YOST. Yes, sir. I consider it legislation that we badly need and a great favor that you have done for the Coast Guard to initiate that legislation. We are pushing legislation and we are pushing that legislation. We hope that it will be passed.

It doesn't look like a major change if we just adopt the DOD legislation or allow the Coast Guard to participate in that DOD legislation. We would hope that perhaps the Corps of Engineers would provide that service for us, which we would pay for, et cetera, so we are absolutely delighted that you did that, sir.

Senator STEVENS. I hope we can get that passed quickly. And I think you could use the people who have been doing this for the Department of Defense, the Corps of Engineers, and wouldn't need any additional administrative people to handle it. It is not a major problem as far as administration. It is a major problem for the employees.

Mr. Chairman, I would hope you would let me make S. 910 a part of this record for anyone who wants to see what I am talking about. We can put it in the record at this point.

Senator BREAUX. Without objection, we will.
[The bill follows:]

100TH CONGRESS
1ST SESSION

S. 910

To provide that the Secretary of Transportation may make available special housing assistance to Coast Guard employees adversely affected by the closures of certain installations.

IN THE SENATE OF THE UNITED STATES

APRIL 3 (legislative day, MARCH 30), 1987

Mr. STEVENS (for himself and Mr. MURKOWSKI) introduced the following bill; which was read twice and referred to the Committee on Commerce, Science, and Transportation

---

A BILL

To provide that the Secretary of Transportation may make available special housing assistance to Coast Guard employees adversely affected by the closures of certain installations.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 92 of title 14, United States Code, is amended by inserting immediately after paragraph (d) the following:

"(e) perform all functions of the Secretary of Defense under section 1013 of the Demonstration Cities and Metropolitan Development Act of 1966 (42 U.S.C. 3374), for purposes of assisting civilian and military

employees of the Coast Guard as if they were employees of the Department of Defense with regard to any closing, in whole or in part, of an installation ordered by the Coast Guard, except that—

"(1) funds available to the Secretary for such purpose shall be limited to such sums as may, from time to time, be appropriated for operations and expenses of the Coast Guard; and

"(2) any such funds shall be maintained in a separate account in the fund established pursuant to section 1013(d) of the Demonstration Cities and Metropolitan Development Act of 1966 (42 U.S.C. 3374(d)) for activities of the Secretary under this paragraph.".

Senator STEVENS. Admiral, let me ask you a couple things about these field engineering offices that you created in your relocation. In studying those, I found that you have granted special authority in Hawaii to perform engineering tasks under $300,000 in the field engineering office but the limitation in Alaska will be $100,000.

In view of the major distances and problems of Alaska, I wonder why that limitation got imposed on the Alaska field engineering office at $100,000 when others have an allowance of up to $300,000 for engineers tasks?

Admiral YOST. I don't know and I am surprised there is that difference. I would say to you that we left in Alaska additional people to do additional, particularly the Arctic kind of civil engineering that we think is a specialized sort of thing. We left extra people in Juneau to do that.

I am certainly going to immediately look into seeing why we are limiting Juneau, with those extra people, to $100,000.

The FD&CCs, which are the central, there are two of them, one on each coast, have everything above $300,000 mandatory. Whether we have allowed California to go up to $300,000, I am not sure. Let me look into that because we certainly have left extra people in Juneau and

we ought to raise that limit. And I am surprised. I am just not aware of what you have said so I am going to check that.

Senator STEVENS. I appreciate that. I know that the FD&CC is located in Seattle for the west coast, which is as close as you can get to Alaska without being there. At the same time it is still 900 miles to Anchorage, 600 miles to Juneau even. If you start going out to the chain to your establishments out there, 2,400 miles out from Anchorage, I think that the travel factor is going to be so much greater if that expertise is based outside of Alaska. There will not be the savings your people contemplate by this reorganization.

Let me ask you one last question and that has to do with this U.S./Japanese High Seas Salmon Agreement. That provided for the exchange of observers on Japanese and Coast Guard enforcement vessels. And I understand that your staff has met to discuss this now.

Do you think we should continue to exchange observers on enforcement vessels in the future to monitor the actions of the other nation?

Admiral YOST. I think that it gives us some flexibility to have that in place. Now, this year we are probably not going to use it very much because when we do exchange agents, when we had a Japanese agent aboard our vessel to watch that abstention line, what we find is that vessel is hampered in what else it can do.

What we would like to use is the same vessel to watch the abstention line and then run over and take a look at the drift net fishery as well but when we run over to take a look at the drift net fishery, the Japanese agent says: Wait a minute, I am here to watch the abstention line. And so it reduces the flexibility of our vessels.

We do take aboard the MFS agents whenever they are available. And we would like to keep in place this agreement, with the Japanese but we are not going to use it as much this year as we did before because we found it did hamper the use of our vessels to take care of everything that we needed to do out there.

Senator STEVENS. I understand that, Admiral. Is there any way we could use higher technology, remote sensing or something like that to monitor the abstention line and to use your equipment to monitor more of the drift net fleet and the active participation?

I know that you have committed vessels to monitor the abstention line. That is sort of like a walking patrol along a border. And it doesn't give you the opportunity to deal with people who already sneaked through when you weren't there. Have you given any consideration to the monitoring technique for that abstention line?

Admiral YOST. We are experimenting with it in Alaska now. How that experiment relates to the abstention line, I am not sure. I know that in the bottom fishery, we tried using it, and it has worked, but that bottom fishery, of course, is changing more and more to American vessels.

The Magnuson Act allowed us to require foreign vessels to carry it, but didn't provide a method of requiring domestic vessels to carry it, so we saw some problems in it.

As far as the abstention line and getting the Japanese vessels to carry this, I don't know what we have done in that. I am going to have to report back to you regarding the abstention line and these monitors.

Senator STEVENS. I said that would be the last question. Let me ask you this. Would you advise us to extend the Magnuson Act to cover domestic vessels in terms of this technique? I know that is a growing fishery out there, and I know it is going to generate some problems.

When I was before the state legislature, I was asked whether we ought not increase the observer program so we had 100 percent coverage on our own vessels for the observer program. And if you would recommend putting monitoring devices on domestic vessels, I believe we would support that.

Admiral YOST. I think it would give us the flexibility we don't have. Let me report to you in writing on that. I need to look at how far along the test and experiment we are doing now is and whether we are at the state that we want to require domestic vessels to have it.

Senator STEVENS. All right. Thank you very much. Admiral, I appreciate the fact that you have been under very heavy pressure from all of us concerning this reorganization. And I want to reiterate once again that those of us who know your problem realize that you do have a manpower problem.

I understand you did mention that before I came in. Have you given us the statistics for this record to show the extent of your manpower problem?

Admiral YOST. Yes, we have. I discussed both the 1988 problem and the 1989 problem and indicated that in those two years the 1988-89 years, we have an immediate for something between 2,000 and 2,500 people. We have in this budget about 1,000 new people taking us from 38,000, where we have been literally frozen for about five years, up to 39,000 military people.

I have another 500 coming out of the reorganization and that leaves something around a thousand that I would expect that we will look at in the 1989 budget. I can't talk 1989 budget yet, although this authorization bill does cover in principle two years, but the details of the 1989 budget, I would expect we would be looking at about 1,000 people in 1989.

Senator STEVENS. Could you give us for the record some of the details of what those thousand people would do in case we do get to the point where we are able to shift some money to you from the defense budget? Maybe this year we ought to do it in a specific area of OE in order to meet some of your personnel needs and try to do it in two years rather than one year.

I don't think we can get sufficient funding for 1,000 people in one year, but we might start it this year, 250, 300 or so and see how much funding we could get. I would be pleased if you would submit for the record what those people would do, what legislation imposed the new requirements, how many you will need for each year, and which areas you consider to be the highest priority.

Admiral YOST. I have said that this budget, this President's budget does, in fact, have in it a thousand people. And I would encourage you in the strongest of terms to keep those people in this budget because we need them, to man the new 270s that are coming out, the two new C-130s, the E-2Cs. We have to have the people to man them.

I will submit for the record our total needs for the two budget years that this hearing has covered.

[The following information was subsequently received for the record:]

Answer. The attached list illustrates my highest priority needs for personnel beyond FY 1988, based on anticipated deliveries of capital equipment. It assumes the FY 1988 budget is approved as requested and the 900 billets it includes are allocated as proposed.

FY 1989 OE PERSONNEL REQUIREMENTS, CAPITAL ACQUISITION FOLLOW-ON

Reference number and item/acquisition	FTP	FTE
1—WMEC 270 program	194	161
Less: Decommissionings	−139	−55
Net: WMEC 270 Program	55	106
2—WPB 110 Program	190	134
Less: Decommissionings	−90	−44
Net: WPB 110 Program	100	90
3—WHEC 378 Post-Fram crewing	103	84
Net: Post-Fram crewing	103	84
4—Drug Omni/Air Interdiction	448	448
Net: Drug/Air interdiction	448	448
5—C130 Program	90	90
Net: C130 Program	90	90
6—Rescue Swimmer Program	70	70
Net: Rescue Swimmers	70	70
Total (net FY 89 requirements)	866	888
7—Plus: FY 88 annualizations	0	435
Grand Total FY89 Requirements	866	1,323

Note:—FTP stands for Full Time Position. FTE stands for Full Time Equivalency. Each new billet requires 1 FTP to be established. FTE is calculated (normally on a quarterly basis) based on the amount of time the billet is actually filled. FTE equates closely to salary dollars expended during any particular fiscal year. For example, a billet established on 1 January 87 and filled from 1 April through the end of the fiscal year would require 1 FTP and .5 FTE.

Senator STEVENS. It is my understanding that new equipment came by virtue of the money we made available to you, primarily from the defense budget over the last few years, almost a billion dollars over a period of some three years.

Admiral YOST. Yes.

Senator STEVENS. Now we are seeing increased personnel demand because you had moved this new equipment in and you don't have the build-up in your operating account to meet that. I think this year, rather than take money from DOD for the AC&I account, we should

move some money from DOD into your OE account to take care of the personnel requirements here and take part of that burden off you and hopefully move into the next year so we can annualize your O&M budget.

If you give us the details, we will try to work on that. Mr. Chairman, some of my colleagues have notified me that they are unable to leave their own committees and would like to submit questions for the record, if you would permit that.

Senator BREAUX. We will do that. Thank you. Admiral, the OTA study that was done on interdiction of drugs talked about the massive effort the Coast Guard has in serving and patrolling the Caribbean and the Gulf area because of the flow of drugs coming from South America and from Southern Caribbean islands.

And they spoke in that report of stretches of oceans, 100 miles wide, that are patrolled by perhaps a central patrol boat, they spoke of the problems from interdiction of a vessel and finding drugs having to take that patrol boat and escort the suspect vessel back to a U.S. port, and thereby losing the time for that particular patrol boat.

You have not yet received, but I discussed with a group, a proposal that is going to be made to the Coast Guard which would propose the concept of using a semi-submersible platform that would be stationed somewhere at a choke point out in the Caribbean—at a central lane as far as your operations are concerned—that would serve as a staging area for the Coast Guard for helicopters, for refueling your vessels, for a port whereby these vessels and individuals would be able to be brought, dropped off and held for a period of time.

I know you haven't seen the proposal, as I understand it, but it is something that when you do, I hope it will be given consideration. If you have thoughts about that, the idea seems like an excellent idea. Of course, there is the question of how much something like that costs, but to have a facility located in that high island traffic area where you could come in and use it as a staging point would seem to me to be something that would be worthwhile considering. Do you have any thoughts on it?

Admiral YOST. I think it is a very worthwhile proposal. It is an innovative idea. We are looking at it ourselves in two areas for two functions. One, do what you say, put out one in one of the choke points, semi-submersible, and use it for a base of operations.

Whether we ever would be able to reduce to holding prisoners there on that kind of thing is something else. We usually have to get these prisoners before a magistrate in the U.S. courts of law pretty rapidly but it could well be an excellent support base out in the choke points to begin to take over the territory.

I think that as an innovative idea. I think it has merit and concept. We are looking at it. We have an unsolicited proposal, I think, from McDermott coming in on this matter. And when it comes in, we are certainly going to take a look at it.

Now, the second place that we are interested in maybe using that jack-up rig is down in the Bahamas as the base that we have been directed in the Drug Omnibus Bill to establish. We can take it down there and either as an interim get that base established right now, put that rig there, jack it up and there it is, you are there and you are running. If it turned out to be really wonderful, maybe it could be a permanent base; I don't know. We are looking at that. We have no unsolicited proposals on that. McDermott owns a lot of jack-up rigs and we think we could get one very quickly of the right kind if it turns out to be feasible. We are proceeding on this very rapidly, looking at it to see if it is going to make sense.

Senator BREAUX. Let me ask another thing. I appreciate your answer. I think we are both, probably many others, are thinking along the same lines.

If you have something you can have physically in an area, it is an impediment to drug operations and also serves, I think the Coast Guard very well.

I saw a disturbing report on one of the networks about the drug trafficking, an allegation from a person confined in a prison that he had actually been hired by apparently an agency of our government to participate in illegal drug runs from South America back to the United States and that actually the profits of the drugs were being funneled back through other areas that this government is involved in.

I don't know if you saw the report but I would ask if the Coast Guard knows anything about that at all in any way, shape or form.

Admiral YOST. I saw the report. We know absolutely nothing about it. There is nothing in it that we can relate to or made any sense or we could say: Yes, that could have been. We just have zero knowledge about that, sir.

Senator BREAUX. Does the Coast Guard use Homestead Air Force Base for any of your drug operations?

Admiral YOST. We use Homestead as an intelligence center there, communications center. Homestead is a critical area for us, yes.

Senator BREAUX. We have given additional authority, I think, to the Coast Guard people who board suspected vessels. For that, some were arguing you did not have enough. We gave you additional authority and I take it it is being exercised. Now some people are complaining you are doing too much. You can't win for losing but what is your comments on the authority for the boarding of suspected vessels now. Is it working? Are you getting a lot of complaints? Are people maybe suing you over it for illegal boardings? Give us some discussion on that.

Admiral YOST. I think that the authority that we got was very important. It has helped us. It was primarily foreign vessels. It helped us in making the case in court against the foreign vessels.

Where we have run into a little opposition is with our own vessels, U.S. vessels in U.S. waters where our boarding policy was felt by some, yachting magazines and others, to be perhaps a little too aggressive. I guess I had to agree with those criticisms. I felt that maybe we had been a little too aggressive.

And I would like to enter into the record a press release that we put out that describes the changes in the boarding policy of domestic vessels and domestic waters that we have made.

The fact is, Mr. Chairman, that the danger from a vessel in Lake Pontetrain is far different from the danger of boarding a foreign vessel down off Columbia. The same has to do with Martha's Vineyard. If you board a vessel off Martha's Vineyard it is a less dangerous operation than boarding in the Caribbean.

When we board our own domestic yachts and vessels, we need to use a little different procedure than to bring along a riot shotgun, disturbing the vessel, pat them down and treat them like criminals. We are changing our bedside manner and the criticism was probably deserved.

Senator BREAUX. It is a tough line—how you handle these very difficult situations. Some of those domestic yachts are, in fact, participating in drug operations in some areas. You don't know which one is. It may be one out of ten.

If you hit the one with the wrong equipment or the wrong attitude, you have some potential serious problem. At the same time, you don't want to unduly disturb law-abiding citizens. I am happy and pleased and I think the voting public will be happy to see a new type of policy as far as that goes.

I have a question that I want to ask about the nature of the Coast Guard's duties in carrying out your maritime defense responsibilities. Do you have some discussion on that?

Admiral YOST. I would like to discuss that. To set the stage, three or four years ago the Commandant of the Coast Guard, the Chief of Naval Operations with the blessing of Secretary of the Navy and Secretary of Transportation signed a memorandum of agreement that provided that a three star Coast Guard officer on each coast would be responsible for the planning, the execution and in war time the operation of those forces protecting the coasts of the United States, including the harbors, the ports, the navigable waterways and parts of the ocean up to 200 miles offshore.

Mr. Chairman, that is a very large area of operations and it is commanded now by Commander of the Atlantic on the Atlantic and Commander of the Pacific area in the Pacific. Those two officers in that context do not work for the Commandant of the Coast Guard. They work directly for Commander of the Atlantic Fleet and the Commander of the Pacific Fleet. They are responsible in peace time for writing the plans, exercising the plans and participating with the Navy, Air Force and Army in fleet exercises in that area of operations.

They are doing that very well. Their forces comprise all of the Coast Guard forces in their area that aren't functionalized as commanders in war time, plus all of the Navy's mine warfare forces, including the Navy helicopter mine warfare squadrons, many of the EOD teams, all of the Navy's UDT teams.

So it is a very large command made up of about half Coast Guard and half Navy, made up of about 50 percent reserves on both sides. And it is working very, very well.

Now, it is not a command that has been in operation for very long. It has only been in operation for a year or so. And I call a command like that a command that is not yet fully matured. By that I mean the war plans are not all finished. Those war plans that are finished have not been thoroughly exercised in war games nor thoroughly exercised in fleet exercises. And that needs to be done in the next several months. And up to three or four years, that will be done. And we will find that we have increased the defense of the United States by many fold in doing that.

As I say to my Navy counterparts, unless that maritime defense zone commander can secure the ports of the United States, you are not going to be able to sail safely, your boomers, your carrier battle groups and we are not going to be able to safely resupply Europe in the next war. So it is a critical function. We are doing a good job at it. It is going to take a little while longer to mature.

Senator BREAUX. A final question. I thank you for that, that is a good explanation. The final point I would like to ask is I have heard some complaints, I guess, or at least observations of some of the oil industry, both business and operators, with regard to what they feel would be an increased emphasis on inspections at a time when they are literally economically barely surviving. These are requirements that would have them bring vessels that are working offshore, offshore charters in other countries, back to the United States for the purposes of going through an inspection and then sending them back overseas.

Is that a change in policy? Have we already got complaints about that? I have picked that up recently, as a matter of fact.

Admiral YOST. I hadn't heard the complaints. I have with me my chief of staff who is probably the foremost expert in the Coast Guard on marine safety. And I am going to take advantage of that, if I may, and ask him to make some remarks regarding that. Admiral Lusk?

Admiral LUSK. The only thing I can say about that, Senator, is I have heard that there is some concern about bringing vessels back or subjecting vessels of the offshore supply type that are now overseas to mid-period inspections. I haven't seen anything in writing on that.

I really don't know what the source of the problem is but I understand that we are to get something and I simply haven't got it yet, so I don't understand.

Senator BREAUX. Do you know if we would require a U.S. vessel that is working overseas to come back to the United States for a regular normal inspection and then go back?

Admiral LUSK. No, sir. What we have typically done is required them to have their biannual inspection done overseas and we have been providing an inspector to go over to do the inspection with the ship's representative on-site.

Now, I believe the question concerns either the reluctance of the industry to continue to do that, possibly they would like to come up with some self-inspection program or possibly their reluctance regarding the mid-period inspections, which are done some time between, about midway between these inspections.

Senator BREAUX. Perhaps your office could get together with some of the ones in the industry who have mentioned this as a problem, and see if there is a problem, seeing it would almost be foolish on a regular biannual inspection, particularly, to have a vessel come all the way back to the U.S. and bring it midstream and go back overseas.

Admiral LUSK. Yes, sir. It is very hard to imagine we could be in any way running something like that. I know we were trying some time ago, maybe a year and a half ago, we were trying to extend the American Bureau of Shipping's delegation to include certain of these inspections but I am given to understand that the American Bureau of Shipping doesn't want to expand any more right now, at least in the area of delegated authority.

It might well be associated with that reluctance.

Admiral YOST. We will reply to you on that.

Senator BREAUX. Admiral Yost, we thank you and the Committee thanks you. There may be additional questions from some of the Senators we would submit to the Coast Guard for you to respond to.

With that, if there are no further observations or questions, the Committee stands adjourned until further call of the chair. Thank you.

Admiral YOST. Thank you, Mr. Chairman.

[Thereupon, at 10:50 a.m., the Committee adjourned.]

STATEMENT OF C.A. MCKINNEY, LEGISLATIVE COUNSEL, NON COMMISSIONED OFFICERS ASSOCIATION OF THE U.S.A.

Mr. Chairman: The membership of the Non Commissioned Officers Association of the USA (NCOA) extends appreciation to the distinguished chairman and members of this subcommittee for the opportunity to submit its views on the FY 1988 U.S. Coast Guard Authorization Request.

NCOA membership numbers some 170,000 noncommissioned and petty officers of the Armed Forces of the United States. The majority are serving today in the active ranks of the uniformed services, including the United States Coast Guard.

I have fashioned the last words above to address a notable purpose—to remind all of us that the Coast Guard is a fully-qualified member of the nation's armed forces. It is highly capable of assuming a defensive or offensive role in times of national peril and has an experienced uniformed task force that can be as effective in war as in peace.

To the association's Army, Navy, Marine Corps and Air Force members, their Coast Guard comrades are co-partners in the defense of the nation's Constitution, its lands, its policies and its citizens. It is, therefore, inconceivable to them that uniformed members of the Coast Guard may not be considered by the Administration and many of our elected legislators as military service members. NCOA members also have difficulty understanding why the congressional process gives the armed services committees oversight authority in directing the lifestyles of Coast Guard members but the funds for their lifestyle must be authorized and appropriated by merchant marine and transportation committees.

In this vein NCOA faces some difficulty in properly representing the men and women in the Coast Guard's enlisted ranks. NCOA must go to the armed services committee to seek improvements to and adoptions of certain applicable programs and the resolution of those issues affecting quality-of-life. Many are considered but few are selected, particularly in this era of constrained fundings.

For those adopted in the fiscal year defense authorization act it is almost a rubber-stamp reaction of this subcommittee to authorize the monies to find these congressionally-mandated people programs. But what about those that aren't marked up by the armed services committees? Even if they apply to the Coast Guard, are they dead issues or can NCOA come to this subcommittee for assistance? For example, U.S. Coastguardsmen who have served honorably but are denied reenlistment should be entitled to a severance or rehabilitation payment when discharged or released. But they aren't. Why? Because the Department of Defense failed to keep a promise to include proposals for enlisted severance payments in any change to the military retirement system submitted to Congress. Last year, Congress accepted a change to the system but the recommended proposals, requested by the armed services committee and submitted by DoD, contained no provision for enlisted severance payments.

Perhaps this subcommittee can grasp the need for fair play in the federal government's treatment of its employees and military personnel. If all but regular nondisabled enlisted military personnel can be eligible for severance payments, why is this one group not so entitled? Why does the United States government authorize severance payments for commissioned officers, and even foreign nationals on its payroll, but not regular nondisabled enlisted service members?

If nothing but for fair play, it would be most appropriate and gracious if this subcommittee approved a severance pay provision for enlisted Coast Guardsmen in its fiscal year 1988 authorization package for the United States Coast Guard. It wouldn't cost very much to fund and it may serve to awaken the armed services committees to the simple fact that what has been fairly done within the Coast Guard should be equally applied to the other uniformed services.

NCOA would be most pleased to assist in this endeavor if the subcommittee is interested in the proposal.

Last year, NCOA requested that funds be authorized and appropriated to:

—maintain USCG personnel strengths at FY 1986 levels.

—reimburse USCG uniformed service members for all out-of-pocket expenses for commercially-delivered medical care incurred by their dependents because federal facilities are unavailable.

—provide severance payments for certain USCG enlisted service members.

—provide a cost-of-living adjustment (COLA) to the retired pay of USCG retirees and their survivors.

—provide a 4 percent increase in the basic pay and allowances of USCG uniformed service members.

Further, NCOA asked for funds to pay double dislocation allowances for Coast Guardsmen being transferred with their families; increase Permanent Change of Station reimbursements, and continue the New G.I. Bill as a permanent enlistment initiative. NCOA also urged members of Congress to reject any proposal to alter the military retirement system then in effect.

Of the nine (9) recommendations submitted; a meager 1.3 percent COLA was granted in December 1986 after a 3.5 percent loss in the preceding year, and a 3 percent pay hike was approved for January 1987.

Congress has seen fit to approve adverse changes to the military retirement system but failed to adopt the remaining requests suggested by NCOA.

Hopefully, this subcommittee will consider these issues and, in addition to enlisted severance payments, adopt provisions that:

—gives the USCG the uniformed personnel strengths required by that service to perform its varied missions.

—fully reimburse USCG personnel for legitimate commercially-delivered health care to their dependents when federal facilities are not available or within reasonable commuting distances.

—support making the New G.I. Bill permanent.

—provide a 4 percent increase in basic pay and allowances of USCG service members, effective 1 January 1988.

—fund a double dislocation allowance for USCG service members transferred with dependents under permanent change of station (PCS) orders.

—fund other increases in PCS reimbursements; i.e.—temporary lodging expenses; that offset out-of-pocket expenses placed on USCG service members, particularly in the lower enlisted grades.

—support a full-COLA to the retired pay of USCG retirees and survivors.

People are the most important issue before this subcommittee. The Coast Guard is a personnel-intensive service that must attract highly-qualified and motivated people. When assigned to remote locations, removed from military catchment areas where they must live in civilian-oriented neighborhoods on uniformed services pay scales, far too many Coast Guardsmen are caught between dedication and deprivation.

The Coast Guard is required to assign many of its junior enlisted personnel to areas that have few if any other armed forces personnel in residence. These men and women have no access to military commissaries or morale, welfare and recreation facilities or, most importantly, medical facilities. Although eligible for housing and subsistence allowances, Coast Guardsmen receive no medical allowance as a substitute for dependent's health care normally provided free to their comrades residing in military catchment areas. Further, they receive no extra pay for the not-so-unusual number of overtime hours they spend in accomplishing assigned missions.

It is only fair and equitable for Congress to deliver improved quality-of-life programs to the young men and women of the U.S. Coast Guard. They lay their lives on the line everyday for "Country and service."

Thank you.

STATEMENT OF GEORGE W. STEWART, JR., CHAIRMAN, LEGISLATIVE COMMITTEE, NATIONAL ASSOCIATION OF STATE BOATING LAW ADMINISTRATORS

Mr. Chairman and Members of the Subcommittee: I am George Stewart, Chairman, Legislative Committee, National Association of State Boating Law Administrators. Our Association is pleased to provide input into your hearing regarding the Coast Guard authorization.

Mr. Chairman, Public Law 98-369 requires that all of the taxes paid by boaters and sport fishermen be returned to the States for their boating safety and aquatic resources programs. This law has been recognized throughout the boating and fishing community as a milestone legislation in directing support to this user group. This is indeed in keeping with the user fee concept, thus not costing the general taxpayer one cent. Our Association is deeply appreciative of the past efforts of this Committee, which has resulted in full appropriation for the past two years. We are here today to reiterate our appreciation and ask for your continued support.

The precarious situation we find ourselves in, is the Coast Guard on one hand praising the States for their efforts in reducing boating accidents, thus saving lives, and on the other hand wanting to reduce our Federal funds.

The Coast Guard recognizes the major contribution by the States to the overall reduction in the fatality rate by more than 70 percent of what it was prior to the passage of the Federal Boat Act of 1971.

Sometime back, they concluded that the appropriation of Federal assistance to the States resulted in a willingness on the States part to assume a major share of what is logically and statutory a joint responsibility. The continuation of the program, they said, would give the States the credibility, consistency, and resources to reach the local boating public. They indicated that the financial base provided by the Federal government allows the States to concentrate on establishing an administrative infrastructure, purchase equipment and promote the education and enforcement techniques to stimulate increased boating awareness, and thereby decrease fatalities. The Coast Guard, in this statement, felt that in the long run, the joint effort should result in savings to the Federal government rather than inordinate additional costs which would emanate from State curtailment, inaction, or indifference.

To terminate our funds would have a deleterious effect upon the overall national boating safety program, the Coast Guard said.

In the Coast Guard roles and mission report, they say the States should assume the primary role in boating safety law enforcement while Federal involvement should be only to insure functions meet minimum uniform requirements.

We appreciate the kind words of the Coast Guard and do indeed feel that we are meeting the high expectations of the Congress in our State use of the funds.

The Federal funds so far, have allowed us to do many things that contribute to safety on-the-water, such as:

—Increased boating safety patrols;

—Better boating accident investigations have pointed up causes which are targeted for increased education and enforcement;

—Increased training of enforcement officers;

—Better communications and enforcement equipment;

—Now reaching more boaters with free education classes;

—Working towards better statistical data on effects of alcohol and boating, i.e in California, a two-year study showed that in 59% of fatal motorboat accidents where testing could be conducted, alcohol was a contributing factor to the cause of an accident;

—The erection of Kiosks to provide boaters information on coastal bar crossings, navigation, equipment requirements, rules of the road and related information including charts;

—Erection of wind warning strobe lights across heavily used bodies of water to warn boaters of impending high winds;

—Courtesy boat safety inspections;

—Conducting boating surveys, which provide critical data for assessing boat use, conflict areas and safety courses;

—Handing out free literature on boat noise, sailboarding safety, make way in dealing with large ships, hypothermia, thrill craft, use of life jackets (PFD's) and dealing with alcohol use;

—Waterproof exhibits at boat launching ramps with boater safety information;

—Marking of hazards to recreational vessels;

—Development of school video systems;

—Conducting boater surveys;

—Many States are now handling regatta permits instead of them being sent to the U.S. Coast Guard;

—States are picking up slack after Coast Guard removed BOSDET teams from joint jurisdictional waters;

—Developed and placed in use Boating Safety Home-Study Course;

—Developed and placed at marine dealers a boating information display;

—Developing coloring books for elementary schools;

—Stepped up TV and radio public service announcements;

—Implementation of boating while intoxicated, purchase of portable testers, training classes and public awareness announcements;

—Computerizing boat accident information and arrests, which provides capabilities of responding to public, legislative and other inquiries, regarding boating accident and water fatality statistics.

In the second session of the 99th Congress, our Association supported legislation to raise the boating safety authorization CAP from $45 million to $60 million. This legislation was passed for FY 1987 only. Our Association recommends that there be a permanent reallocation of funds transferred to the boat safety account of $60 million. It is further recommended that this $60 million be authorized and appropriated $30 million each to the States and the Coast Guard.

The Treasury Department reported in June 1986 to the Coast Guard and Navigation Subcommittee that the Department's study on excise taxes attributable to fuel used in recreational motorboats equals 1.08 percent of total gasoline excise tax revenues. Their prior estimate was using a fixed allocation percentage of 75 percent. This change saw an additional $31 million going to the Aquatic Resources Trust Fund. So what we are saying here today is, use $15 million of these additional funds for the U.S. Coast Guard and let the remainder roll over to the fishery fund. Since this is a user fee, these funds would be distributed back to the States, the Coast Guard and the State fisheries program in an equitable manner. The winner would obviously be our marine community who take to our waters for recreational boating and fishing.

Thank you.

STATEMENT OF MAJ. GEN. EVAN L. HULTMAN, AUS (RET.), EXECUTIVE DIRECTOR, RESERVE OFFICERS ASSOCIATION OF THE UNITED STATES

This is my first opportunity, as the new Executive Director of the Reserve Officers Association, to address this subcommittee and to present testimony regarding Authorizations for the U.S. Coast Guard. It is a distinct pleasure for me, speaking from a national security perspective, to address the concerns we have for the Coast Guard, which must always be a vital, energetic, forward-looking and efficient member of our military team. The Coast Guard's can-do attitude reflects a service whose skills and spirit should be nourished and strengthened to the utmost that your Committee and the Congress can provide.

As a bottom line, I urge that you support, as a minimum, the total Coast Guard budget request for some $2.739 billion. In taking this position, we do not for a moment believe that this budget request represents a cure-all proposal; in fact, all concerned recognize it as, essentially, a no growth budget. Nevertheless, it does annualize activities initiated by Congress last year and sets the stage for the continuation of funding for operations that have, in the past, had to be covered by extraordinary funding through the Department of Defense.

ROA is in no position to attempt to micro-manage the Coast Guard; however, we are concerned that Coast Guard stations, vessels and equipment are, at all times, maintained at a readiness peak. Such readiness levels are not only essential to the peace-time training of Reservists, they are also critical to the success of Coast Guard missions when a national emergency or mobilization occurs. In this context, we note that the Acquisition, Construction and Improvement (A, C & I) account of the Coast Guard appears to hover every year close to, but under, $300 million, as though there is some OMB magic associated with this "target." This figure remains relatively constant every year in spite of increasing sophistication, increases in the Coast Guard capital plant inventory, and increasing usage of this equipment—while, at the same time, aging, in many cases, introduces what could become a creeping paralysis. Previous analyses suggest that this account should, at least, be doubled. The Commandant on numerous occasions, has stated that a minimum annual A, C & I appropriation of $500 million is needed. In fact, including Congressional add onh time and performance guarantees from the builder. Overall, the new icebreaker initiatives are very much in keeping with the forward defense strategies of the United States.

We note also that no funding is requested in the FY 88 budget to build any replacement icebreakers—funding is requested only to support a study of the pros and cons of lease vs. purchase. ROA is gravely concerned that the Administrations's urge to privatize might lead to a decision to lease based solely on budget "line item" considerations. There are many questions to be answered which go far beyond the fact that the one year cost of a lease would be a smaller line item in the budget than would procurement. For example, can the Coast Guard "live" with an icebreaker built to civilian standards and manned by a civilian crew? How could a "civilian" polar icebreaker carry out missions assigned by the nation's war plans in time of national emergency or mobilization? Will an icebreaker built to "civilian standards" have immediately available the space and berthing required for increased wartime manning? What about immediate availability (without lengthy overhaul) of wartime armament, sensors, communications equipment, etc.? The questions are extensive and the decision must be based on more than mere "bottom line" and "privatization" mentality.

I might add, in passing, that many people appear to be misled when these vessels are referred to simply as icebreakers. One must keep in mind the concept of a vessel designed "sometimes to break ice," but more often to move other vessels expeditiously and safely in a medium which often consists of already broken ice, brash, sludge and water. Such passage negotiation with other vessels is often considerably more difficult than just breaking a path through virgin ice fields.

The most recent report of the DOD Reserve Forces Policy Board noted several areas of major concern involving the Coast Guard Reserve and pointed out the extremely critical nature of the port security mission and the need for that mission to be ready in the very first stages of mobilization. The Reserve Forces Policy Board noted the Coast Guard Reserve's significant shortfall in equipment needed for mobilization and then stated that the equipment available in the Active and Reserve Coast Guard would be unable to meet current requirements.

Because port security in support of coastal and harbor defense in the Maritime Defense Zones (MDZ) is about 75% of the wartime Coast Guard Reserve mission, proper equipping of these forces prior to an actual mobilization is necessary to ensure that the outload capability of these ports is maintained. Among the highest concerns is the oft cited deficiency in secure communications equipment which prevents the Coast Guard being an effective MDZ partner with the Navy. Purchase of this equipment now would also benefit peacetime drug interdiction and law enforcement efforts. Presently, drug smugglers listen with impunity to Coast Guard communications, finding out the interdiction plan before it's ever executed.

In hearings before various Armed Services subcommittees, RADM Alan Breed, USCG, Chief, Office of Readiness and Reserve, has referred to specific equipment requirements and deficiencies for the Coast Guard Reserve which were submitted to DOD for use in conjunction with the DOD Force Readiness Report-Vol. II (Material Readiness Report) Annex, (required by 10 USC 115a).

ROA has not seen that input, nor was RADM Breed permitted by the Department of Transportation/Office of Management and Budget to do more in his hearing statements than merely refer to the Report. He was not permitted to set forth any of the equipment shortages. However, we understand that a significant shortfall was identified in patrol boats/harbor craft, secure communications gear, vehicles, small arms, protective clothing, night vision devices, etc. We further understand that the total shortfall in portable secure communications equipment, night vision devices, and protective clothing exceeds $22 million.

As far as ROA can determine, the Administration appears to have no definitive plans for the procurement of secure communications equipment, or for much of any other equipment needed for mobilization readiness. Although Admiral Yost recently testified that some new secure communications equipment was being bought, we note that Mr. Dennis Shaw, acting Assistant Secretary of Defense for Reserve Affairs, advised the House Armed Services Subcommittee on Readiness that "the Coast Guard is also addressing its mobilization equipment shortfalls, with plans to procure critically needed secure communications equipment."

Most of the new equipment funded for the Coast Guard over the past 4 or 5 years has resulted from Congressional "add-ons" through the Defense Appropriation—it has not been requested by DOT nor supported in the Transportation Appropriation process. We doubt that this situation will change significantly in the near future. Accordingly, ROA urges that this Committee take immediate action to ensure that all Coast Guard forces (not only Reservists) are soon and adequately equipped to perform their wartime tasks as part of our total military defense team. Unfortunately, the Coast Guard remains an "orphan" stranded between the DOT and DOD appropriations processes, receiving support for increased procurement from neither.

I have read that this budget, as proposed by the Administration, provides for a major upgrading of the Coast Guard Reserve—but ROA finds a proposed Selected Reserve increase of 750 to be modest at best, particularly when the requested end strength of 13,500 would meet only 49% of a documented mobilization requirement of 27,500. Such a proposal is a long way from matching the Selected Reserve strengths of the Department of Defense Reserve components, all of which currently stand at about 95%.

It should also be noted that FY 87 Selected Coast Guard Reserve strength authorization was set at 14,400 by the Anti-Drug Act. While no specific supplemental funding was approved to support these numbers, DOT/OMB sought no way to accommodate the strength directed by the Congress. As usual, DOT/OMB ignored this direction in FY 87 execution, and again in the FY 88 budget submission.

Appearing recently before the House Subcommittee on Coast Guard and Navigation, Admiral Yost stated that the Coast Guard Reserve should be at a minimum strength of 24,500 (about 90% of requirement) in at least ten years; that extending the growth period longer than ten years is totally unacceptable—particularly in view of the Coast Guard Reserve's ever-increasing role in the Maritime Defense Zone (MDZ) mission. He also noted that an annual increase of 1,100 (not the 750 requested for FY 88) would be necessary to accomplish this goal.

The DOD Reserve Forces Policy Board has also stated unequivocally and strongly that additional personnel will be required in the Coast Guard Reserve to sustain

mission capability as the tempo of wartime activities builds beyond the first few weeks of a conflict.

ROA heralds H.R. 1640, introduced 17 March by Congressman Bob Davis (R-MI) and several co-sponsors. This bill would increase the authorized personnel strength of the Coast Guard Selected Reserve to 14,000 in FY 88 and 15,377 in FY 89. Further, it requires SECDOT to submit to Congress a plan for the Coast Guard to meet 95% of its wartime requirements, including SelRes personnel, equipment and training resources, by 30 September 1998. ROA strongly urges support for this initiative, either as a separate bill, or preferably incorporated into the FY 88/89 DOD Authorization Bill.

We understand that the additional Coast Guard SelRes personnel included in H.R. 1640 will require an additional $2.5 million in FY 88 Reserve Training funding.

Existing plans require that the crews of Coast Guard vessels be augmented in the event of mobilization. It was once deemed possible to satisfy these augmentation requirements with Reservists drawn from trained Vessel Augmentation Units. That possibility appears elusive: the augmentation of crews will most likely be achieved from the Active duty forces, with Reservists quickly moving in as a solid backfill in the depleted and sensitive Port Security and related areas. This provides further justification for a much earlier enhancement of Reserve forces than present Administration planning indicates.

ROA would like to direct the subcommittee's attention to a totally unsatisfactory situation regarding Coast Guard Reserve Full Time Support (FTS) personnel. This is one personnel item that appears to have been overlooked in the past by Congress, or at least not singled out for attention, even though such personnel are essential to Reserve recruiting and training. Adequate FTS support is a matter that plagues the other Services also, but not to the same extent. Currently, the ratio of FTS personnel to SelRes personnel in the Coast Guard is 1:19, by far the most disadvantageous ratio of any of the Reserve Components. (DOD Reserve Components average an FTS/SelRes ratio of about 1:8). For the Coast Guard, current FTS personnel support is represented by 711 military and 112 civilian personnel. While we have seen some slow growth in Coast Guard SelRes strength over the past few years—11,700 to the FY 87 funded level of 12,750—the number of FTS personnel has actually decreased due to arbitrary active strength reductions imposed by DOT. This trend is continued in the FY 88 submission which requests an increase in SelRes strength to 13,500 but requests no increase in FTS personnel, thereby exacerbating an already unsatisfactory situation.

This ratio must be reduced significantly if the increases promoted by the Administration, and hopefully throughout the next ten years by the initiative contained in H.R. 1640, are to be successfully accomplished. Accordingly, ROA recommends an increase of 50 Coast Guard FTS personnel in FY 88, and 50 each year for the next ten years, at an additional cost in FY 88 dollars, of about $1.7 million per year.

Last year ROA suggested that consideration be given to the re-establishment of a Coast Guard Reserve aviation mission to enhance Maritime Defense Zone capabilities and to provide peacetime training for this role through drug interdiction and related surveillance activity and area familiarization. In an interview some months ago with Admiral Yost, he stated to ROA that an aviation mission would be assigned to the Coast Guard Reserve. ROA reiterates the importance of a Reserve aviation mission as the Coast Guard goes about the task of establishing C-130 squadrons at Clearwater, FL; Elizabeth City, NC; and Sacramento, CA. As is done in both the Naval Air Reserve and the Air Force Reserve, Reserve augmentation crews could easily be assigned to those squadrons, taking advantage of Coast Guard aviation personnel who leave active duty and who currently have no place in the Coast Guard Reserve for their expensively acquired skills. Certainly in any mobilization situation, most of these aircraft will be flying 24 hours a day, seven days a week. Coast Guard aviation squadrons do not begin to have adequate active duty personnel assigned to accomplish such an operational level. Additional air and maintenance crews will be required. What better place to have them than in the Coast Guard Reserve—already assigned and trained.

In passing, one notes many references to major workload increases, and assignments of new responsibilities together with the dichotomy of minimal personnel increases, or in some cases, proposed reductions. An increasing consensus is in agreement that the Coast Guard cannot effectively carry out these additional duties without additional

assets—personnel, equipment, funding, etc. Admiral Yost has already testified that the Coast Guard really needs an additional 2,000 active duty military personnel in FY 88—an increase of only 600 was requested by the Administration.

I would suggest that the Congress, by the level of funding provided, affecting personnel strengths, readiness, etc., in effect establishes the Coast Guard standard of performance. Accordingly, Congress must ultimately bear the burden (and credit where appropriate) of any reduced/enhanced levels of response. Of course it is partly to address the problems of growing responsibilities and limited resources that the Coast Guard, and all other Services, are going through the throes of various reorganizations. The intention is to "squeeze" personnel out of headquarters staffs at various echelons for use in operational areas. In fact, Admiral Yost has testified that the currently proposed Coast Guard District reorganization would make 500 personnel available to operational billets.

Since nearly all of these reorganizations involve centralization to some extent, it behooves all of us to perfect the Coast Guard's realignments as best we can while being mindful of the words of President Woodrow Wilson, an astute scholar and student of government, who said, "We are certified by all political history that centralization is not vitalization". President Eisenhower reiterated these thoughts when speaking of Wilson in a 1960 address at Mary Baldwin College.

Last year's ROA testimony concluded with the words to a song of some long-time (and perhaps old-time) Reservists. Now it may be appropriate to borrow from a Coast Guard chapel on Governor's Island the following words—for those who might feel that the Coast Guard "doesn't have a prayer."

"O eternal Lord God, you alone spread out the heavens and rule the raging sea. Take into your most gracious protection our country's Coast Guard and all who serve therein. Preserve them from the dangers of the sea and from the violence of the enemy, that they may be a safe guard unto the United States of America, and a security for such as sail upon the seas in peaceful and lawful missions. In serving you, O Lord, may our sailors serve our country. Amen."

The Coast Guard obviously has an excellent institutional prayer which, in its own way, sets forth the vital nature of the Coast Guard mission. It is up to you, the Congress, to ensure that the Coast Guard has more than a "prayer" as it endeavors to carry out this mission in today's, and tomorrow's, real world environment.

This concludes my testimony. I shall be pleased to answer any questions, Mr. Chairman, that you or other members may wish to ask.

[The following information was subsequently received for the record:]

QUESTIONS OF THE CHAIRMAN AND THE ANSWERS

Question. What is the status of the study of the Coast Guard Auxiliary mandated by last year's authorization act?

Answer. A comprehensive study charter has been developed and approved, a study group assembled, available data are being analyzed, plans for a survey of Coast Guard Auxiliarists and regular Coast Guard members are under development, and work is progressing on several other aspects of the study.

Question. Is it your intention to use the final auxiliary study as your principal basis for evaluating the non-emergency towing policy?

Answer. The Auxiliary study will be only one basis for evaluating the non-emergency policy. The Coast Guard will seek to continue to provide the most effective search and rescue protection to the boating public while attempting to find an equitable balance in the needs of all parties.

Question. What is the status of your negotiation with the Corps of Engineers to shift your bridge program back to the corps?

Answer. A joint Coast Guard/Corps of Engineers Working Group has concluded a review of the ramifications of a transfer. Based on this review, the Department of the Army will make a final decision on whether or not to agree to the transfer. This decision by the Army is expected in May 1987.

Question. In response to questions from Senator Lautenberg, you indicated no difficulty in determining that an unnamed tributary of Newton Creek, located at block 641 in the city of Camden, New Jersey, is non-navigable for purposes of Coast Guard bridge permitting activities. Please provide for the record the results of your consultations with the National Oceanic and Atmospheric Administration, U.S. Fish and Wildlife Service, and other agencies to assure that the proposed construction project at that location will cause no adverse impact on fish or wildlife, water quality, or other aspects of the environment.

Answer. Because an application for a bridge permit has not been received by the Coast Guard in conjunction with this project, we have performed no environmental consultations. However, the information that we do have on the project indicates that the project sponsors have submitted permit applications required by the State of New Jersey Department of Environmental Protection. These permit processes include various environmental assessments. In addition, the sponsors are required, as part of the process, to request a permit from the U.S. Army Corps of Engineers, which is responsible for wetlands.

Question. Describe the nature of the Coast Guard's duties in carrying out its maritime defense zone responsibility.

Answer. The Coast Guard's duties in carrying out our MDZ responsibilities are basically the continued exercising of our traditional statutory authorities in support of strategic deployment, resupply and industrial mobilization. Coast Guard forces will support harbor and coastal defense functions in concert with Navy provided Mine Countermeasures, Inshore Undersea Warfare, Naval Control and Protection of Shipping and shallow water Anti-Submarine Warfare forces.

Question. Why was the Coast Guard and not the Navy assigned the task of the Nation's coastal defense?

Answer. Coastal Defense is a naval mission; the Coast Guard is a maritime service which operates in the Navy Department upon declaration of war or upon order of the President. The U.S. National Security Strategy is built on the concepts of forward defense and alliance solidarity. Consistent with this strategy, the Navy maintains large, forward deployed forces at sea in support of our NATO and Asian allies in time of peace as part of a conventional deterrent. This commitment has severely taxed the Navy's capability to maintain a coastal defense force. The Maritime Defense Zones are built upon the Coast Guard District system which provides a convenient command and control structure as a baseline. Further, the Coast Guard presence in the coastal environment and our expertise and continuing interface with the entire maritime community made us a logical choice to form the core of the new command structure.

Question. As an example, how does the maritime defense zone concept work with respect to a port like Charleston, South Carolina, or New Orleans?

Answer. The primary objective of the Maritime Defense Zone (MDZ) concept is safe passage of shipping from the inner harbor to the Continental Shelf. In each port the MDZ command is responsible for the protection of the port area. This is the senior military authority for the harbor and its approaches. When the MDZ commands are activated, designated zone, sector and subsector commanders assume operational control of Coast Guard and Navy forces allocated to them in prior deliberate planning. Coast Guard components concern themselves principally with port

security, commercial vessel safety and search and rescue (SAR). Navy components undertake mine countermeasures, explosive ordance disposal, and inshore undersea warfare. Both services conduct surveillance and interdiction. This integration of Navy and Coast Guard forces provides for unity of command and a single entity cooperating with other maritime clientele, both commercial and military. Two examples follow:

In the case of Charleston, which is the headquarters of MDZ Sector Six, the Commanding Officer of Coast Guard Marine Safety Office Charleston is the subsector commander charged with directing local defense. In addition to the safety office assets, he will draw upon the assets of a minesweeper squadron, Explosive Ordnance Dispoal Unit, Naval Control of Shipping Organization, Coast Guard Group Charleston, and Coast Guard cutters Escape, Papaw, and Cape Knox as available. The principal mission will be the safe egress of 2nd Fleet surface ships and submarines.

In New Orleans, the headquarters of MDZ Sector Eight, Commanding Officer of Coast Guard Marine Safety Office New Orleans has charge of harbor defense and post security in the MDZ organization. Subsector New Orleans will employ Navy Reserve minesweepers as they become available, three Coast Guard patrol boats, one Coast Guard buoy tender, a Navy Reserve Inshore Undersea Warfare Unit, Naval Control of Shipping Organization, and the Coast Guard Vessel Traffic Service New Orleans as available. The protection and movement of critical commercial shipping will be the principal concern in New Orleans.

Question. In light of the need for secure communications with other services in your coastal defense role, do you have adequate communications equipment? If not, what is needed and at what cost?

Answer. Existing Coast Guard communications are only about half what is needed to adequately support Maritime Defense Zone operations. The operational requirement for secure communications has been validated by the Chief of Naval Operations. The Navy will obligate about sixty five million dollars over the next five years to install necessary command and control equipment. Most installations will be at Coast Guard facilities. After initial site surveys at about 80 Coast Guard facilities, the Coast Guard will have to budget for physical site security upgrades, additional communications personnel to operate the equipment, and other support to the Navy funded equipment. Eleven million dollars, provided by the Anti-Drug Abuse Act of 1986, is being used to purchase and upgrade communications (i.e., digital encryption systems, very high frequency voice systems, etc.) for the Coast Guard's law enforcement program.

Question. Your Selected Reserve strength is less than 50 percent of defense mobilization requirements. What effect does this situation have on your capacity to defend the coastal area?

Answer. Over seventy-five percent of our selected reserve is committed to port security duties. Some short term relief might be achieved by consolidating force and logistics movements to a lesser number of ports. However, deployment of some military forces, their logistics support, and the flow of cargos to support our national economy and those of our allies, may be disrupted. To achieve optimum use of our wartime personnel resources, we have prioritized assigned port security activities into four categories. Lower priority activities may eventually be accommodated with other mobilization manpower resources such as Inactive Ready Reserves, military retirees, new enlistees, and inductees.

Question. What is the difference between the Customs Service and Coast Guard roles in terms of maritime interdiction?

Answer. The Coast Guard is empowered by Title 14 USC to enforce all U.S. law in all waters subject to U.S. jurisdiction including customs laws and drug laws. Coast Guard commissioned, warrant and petty officers are designated Officers of the Customs by 14 USC 143 and 19 USC 1401. The Customs Service, unless specifically authorized by another agency, enforces mostly Titles 19 and 21 within the customs waters, i.e., inside 12 miles.

Coast Guard and Customs operations overlap in the customs waters.

Customs and Coast Guard conduct many short and long term cooperative drug interdiction efforts in the maritime region. Short term operations consist of jointly run harbor blockades of vessels. Long term cooperative projects include the Blue Lighting Operations Center (BLOC) in south Florida which Customs and Coast Guard jointly staff under Customs direction and the Bahamas Drug Task Force and Operation Bahamas and Turks and Caicos (OPBAT) in which both agencies cooperate in marine and air interdiction.

The Coast Guard has recommended to the NDPB that clarification be made of each agency area of responsibility.

Question. In what ways do the Customs Service boats differ from the vessels operated by the Coast Guard?

Answer. Coast Guard employs various vessels most of which are designed for multi-mission use on the high seas and territorial waters. These vessels perform search and rescue, drug interdiction, fisheries enforcement, aids to navigation, marine environmental protection, polar icebreaking and military readiness missions in a variety of operating modes.

Most of Customs vessels are short range and suited for coastal and inland interceptor duties, not for extended patrol operations outside the customs waters.

Question. Much has been made about the importance of command, control, communications and intelligence (known as C3-I) in effective drug enforcement. How will C3-I change the way in which drug interdiction operations are conducted?

Answer. C3I represents a fundamental improvement in how interdiction operations are conducted since it centralizes each function of the drug interdiction problem. The C3I center provides a single organization for detecting, identifying, evaluating and coordinating the interception and further tracking of suspicious targets. If apprehension is warranted, the center concentrates all available information before an authorized decision maker. The concept avoids equipment and intelligence gathering redundancy and eliminates the delay inherent when routing decisions through several different organizations. Smuggling by air occurs at such a fast speed that any unnecessary delay is unacceptable. Without C3I, enforcement efficiency is greatly impaired because each resource acts independently and there is no sharing of information and no infrastructure to direct an apprehension when necessary.

Question. Last year two of my amendments became law which were aimed at improving the Coast Guard's ability to successfully board and seize foreign-flag vessels. Have these changes helped the Coast Guard to do its maritime drug enforcement work more effectively?

Answer. Yes. The Amendments provided three important improvements regarding registry checks which are assisting in expediting law enforcement actions against suspect vessels and prosecution of individuals found to be violating the law. First, registry can be verified by the claimed flag nation by electronic means, including verbal communications through radio, and telephone. Second, registry denials or executive special agreements authorizing law enforcement action may be similarly obtained. These provisions codify a practice that had been developed to overcome long delays spent waiting for formalization of these actions.

The most important improvement allows for the verification or denial of registry and special arrangements to be proved or certified by the Secretary of State or his designee. This has reduced the administrative burden of prosecution by eliminating the need of obtaining documents from a foreign government. While it is anticipated the defense bar will challenge the legality of the provision, no court has had the opportunity to rule on its legitimacy.

The Anti-Drug Abuse Act of 1986 (P.L. 99-570) calls for the United States to increase efforts to negotiate maritime narcotics agreements with other countries. However, no clear statutory authority exists for including in such an agreement the reciprocal right of other nations party to the agreement to board U.S. flag vessels suspected of narcotics trafficking.

Question. Would such authority improve the ability of U.S. negotiators to reach agreement with other countries regarding the U.S. right to board vessels of those countries?

Answer. Negotiations concerning Coast Guard authority to board vessels registered in other nations take place on two levels. In most instances when the Coast Guard identifies a vessel of another nation which it suspects of trafficking in narcotics, the Department of State is requested to obtain an informal executive agreement to authorize boarding and law enforcement against that vessel. These agreements are vessel specific and the terms dictate the Coast Guard's enforcement authority, if any. Our understanding is that the issue of reciprocity has not arisen in these informal negotiations. A second type of agreement is a formal executive agreement negotiated by the Department of State which provides advance authority to board and enforce law on another nation's flag vessel. Currently, the only such agreement exists with the United Kingdom, TIAS 10296. While preferrable to an informal executive agreement, no other similar agreements have been obtained. It is the Coast Guard's understanding that a primary factor in the inability to successfully negotiate formal agreements has been the issue of reciprocity.

Question. What risks and advantages do you see for the United States and its residents of providing legal authority that would allow U.S. negotiators to include reciprocal boarding rights in these agreements.

Answer. The primary advantage would be to eliminate an apparent hurdle preventing successful negotiations of formal executive agreements for law enforcement against vessels registered in other nations. Our experience with the United Kingdom agreement has shown such formal agreements to be extremely beneficial. It has allowed for consistency in the treatment of these vessels. It has minimized disruption of government functions in having to negotiate an ad hoc agreement and the loss in cutter time spend on scene waiting the outcome of ad hoc negotiations. The risk of reciprocal agreement is that it could be abused thus causing U.S. citizens and their vessels some harrassment and naturally arrest and seizure by a foreign government. The rights of such citizens would have to be protected through the local legal and diplomatic process.

Question. The fiscal year 1987 continuing resolution appropriated $89 million in procurements specifically related to drug enforcement. What do you plan to acquire with this funding? How will this equipment enhance your efforts?

Answer. $5 million is earmarked for the Bahamian Docking Facility. Negotiations are underway to establish this facility and a travel lift has already been purchased. $38 million is being used to purchase two C-130s with estimated delivery in December 1987. A contract for the purchase of five 110 WPBs for $35 million was awarded in February 1987 with delivery expected in 1988. The purchase of secure communications for $11 million will take place in fiscal year 1987 and fiscal year 1988. This purchase will upgrade our VHF/FM communication system involving our shipboard transceivers and shore-based high level communication sites.

Question. The continuing resolution also provided $45 million in Defense Department reimbursements for the acquisition of air search radars. What is the status of this procurement?

Answer. The funds in question were provided within the DOD budget by the Omnibus Drug Supplemental Appropriations Act of 1987 "for the installation of 360-degree radar systems on Coast Guard long range surveillance aircraft." Our plan was to meet this requirement through integration of an APS-138 (360-degree) radar—the same one used on the E-2C—on a Coast Guard HC-130. Progress on this plan is dependent upon the Coast Guard obtaining necessary technical data.

Question. Please indicate how you intend to use the $200 million provided for the defense augmentation account in fiscal year 1987.

Answer. Congressional guidance concerning both the FY 1986 and FY 1987 Coastal Defense Augmentation Account (CDAA) emphasized the acquisition of "defense-related equipment" to augment existing assets which would be needed in meeting the wartime mission of the Coast Guard. The FY 1987 CDAA program has been configured consistent with this direction. An outline of the FY program is as follows:

	Amount
Medium Range Recovery Helicopter (10)	$116,000,000
Patrol Boat (WPB) Replacement Prototype (2)	18,000,000
Air Interdiction Sensors (4)	29,700,000
Aerostats (3)	23,000,000
C-130 Forward Looking Radar (FLAR)	9,100,000
MK-75 Ordnance Repair Facility	1,200,000
Deployable Port Security Boats	3,000,000

Question. The Coast Guard received two E2C surveillance aircraft from the Defense Department for drug enforcement purposes. Are these planes in use yet, and if so, what is your success record?

Answer. A Coast Guard Air Facility was established at Norfolk on January 22, 1987. On January 28th and February 5th the Coast Guard accepted its two E-2C aircraft from the U.S. Navy. For support, logistics and maintenance reasons, the Coast Guard's two E-2C aircraft will operate from NAS Norfolk for about two years, deploying to primary operating areas for 5-7 days at a time. The Coast Guard's operational use of its E-2C assets commenced on February 9th and four major operational deployments have since been accomplished. These operations have been successful in that Coast Guard E-2C aircraft have participated in interdictions resulting in four arrests, the seizure of an aircraft, and the seizure of 528 pounds of cocaine. During these four deployments Coast Guard E-2C aircraft flew over 150 hours while participating in operations that detected and tracked 112 suspect aircraft, and intercepted 69 aircraft.

Question. In FY 1986 the Coast Guard had to defer maintenance, draw down on spare-parts purchases, and postpone training in order to stay within a reduced operating budget. Have you recovered from those austerity measures yet?

Answer. We are still suffering from the effects of the "slowdown—squeeze down." The advantage of that funding reduction strategy was it could be accomplished

quickly, but we all recognized that it would leave us a long term legacy of deferred maintenance, parts shortages and personnel only minimally trained. While these maintenance levels, parts purchases and training funds have since been restored to their pre FY 1986 level, two factors contribute to our shortfall: (1) our tempo of operations has increased, meaning we need more funding . . . more maintenance . . . more consumables . . . more training than at any previous time in our history and (2) the restoration did not account for the inventory depletion and missed maintenance and training opportunities that occurred in FY 1986. With the FY 1988 Budget Request to Congress, we are well on our way to recovery.

Question. What is the status of the integration of the Aireye system into the Falcon jets?

Answer. Integration of the Aireye multi-sensor system into the HU-25A Falcon jets is proceeding on track. Implementation of the first Aireye system began in October 1985, and the remaining five Aireye systems will be operational by the end of fiscal year 1987. These six systems will contain a side looking airborne radar (SLAR), an infrared/ultraviolet (IR/UV) line scanner, a reconnaissance camera, and provisions for an active gated television (AGTV). We are currently in the process of procuring an AGTV for each of the six Aireye systems, and anticipate having them all operational by the end of fiscal year 1991.

Question. Assuming that an icebreaker could be purchased anywhere in the world, how much in current dollars do you think such a purchase might cost? How much do you think the purchase might cost if the ship was built in a U.S. shipyard?

Answer. The Coast Guard program cost estimate to purchase two new polar icebreakers (Coast Guard design) is $549,200,000 in 1987 dollars if built in a U.S. shipyard. This estimate is based on a Navy cost estimating model since no proposals have been requested to date. The Coast Guard has neither data nor proposals to predict purchase costs outside of U.S. shipyards, and the Navy does not have any data upon which to develop a cost estimating model.

Question. What is the status of your investigation of the merits of buying your own icebreaker, as compared to leasing one built to your standards?

Answer. The lease project is investigating various strategies and means of acquiring icebreaker services for the polar regions and analyzing methods of comparison to contracting for construction of two replacement icebreakers. The Coast Guard is planning to recommend an approach most advantageous to the government by fall 1987. Performance requirements for a leased icebreaker are being developed, contract design specifications for the Coast Guard design are being completed, and enabling legislation for lease authority or multi-year procurement authority for buying will be requested from the Congress to ensure that the Coast Guard is in a position to act when the decision to either lease or buy has been made.

Question. Do you believe the Coast Guard can operate a wartime environment with leased icebreakers and civilian crews?

Answer. A leased vessel with a civilian crew cannot be a warship as defined in international law. We are currently working with DoD to define the wartime role, and therefore, designation, of icebreakers.

Question. Will you be consulting with Defense Department agencies as you evaluate the merits of leasing vs. purchasing new icebreakers?

Answer. Yes, through a joint Navy/Coast Guard committee (the NAVGARD Board) we are seeking to ensure that the new ships will meet DoD peacetime and wartime requirements.

Question. Are there any national security risks in building a polar icebreaker overseas? If the ship is built in a U.S. yard, do you see any such risk if the construction is supervised by a foreign expert?

Answer. No specific national security risks have been identified in building a polar icebreaker in any shipyard. Classified systems will be installed on the new icebreaker and appropriate security measures taken. Some equipment may require installation by U.S. controlled shipyards.

Question. The National Science Foundation is pursuing plans to lease a small icebreaker of its own that possesses scientific research capabilities.

In light of NSF's diminished interest in polar icebreaker for research, does the administration intend to reevaluate its 1984 conclusion that the Coast Guard fleet have a minimum of four polar icebreakers?

Answer. The 1984 study that concluded that the Coast Guard polar icebreaker fleet size should be four was based on a scenario where by only one icebreaker would be required in Antarctica each year. Even with its leased icebreaker proposal for research, the NSF still requires the Coast Guard to provide icebreaking support for the annual resupply of U.S. Antarctic stations. The Coast Guard is tasked with providing polar icebreaker services to all federal agencies for a variety of pur-

poses including support of scientific research. These tasks are performed in both the eastern and western Arctic as well as in the Antarctic, frequently in the same time frame.

Question. What number of polar icebreakers does the administration believe will meet national security needs?

Answer. Joint Coast Guard-DOD exploration of this issue is ongoing. Specific national security roles and missions are being studied, and re-evaluated to determine current and projected requirements.

Question. If you decided to go ahead with procurement of an icebreaker in FY 1989, how much would you have to request for that year?

Answer. The Coast Guard has not received nor requested proposals for an icebreaker and therefore does not have firm data to base a cost estimate. However, the Coast Guard has used a Navy estimating model, and based on that model has derived an estimate of approximately $250 million assuming a two ship multi-year contract.

Question. Describe the nature of the personnel shortage you expect by FY 1989, and indicate the reasons for this shortage.

Answer. The projected personnel shortage is being caused by the acquisition of new capital equipment and the implementation of new missions which have not been fully funded. The following programs require an increase of approximately 1323 FTE:

1. WMEC 270' Program
2. WPB 110' Program
3. WHEC 378' Post-FRAM Crews
4. Air Interdiction
   a. E2Cs
   b. C3I
   c. OPBAT
5. Drug Interdiction (DIDFAC)
6. C130s (3)
7. Rescue Swimmer Program
8. Vessel Logistics
9. Underground Storage Tanks
10. Port Security
11. MDZ Planners
12. Yard
13. Shore Stations
14. C&I Support Billets

These totals do account for decommissionings of older cutters when new cutters are acquired.

Question. Your realignment plan will shift 500 positions into operational assignments by the middle of next year. What specific operations will receive new personnel as a result of this plan?

Answer. These 500 billets will be reallocated to meet the highest priority requirements of our operational units. Even with full support of our FY 1988 budget request, I will still have significant personnel needs in FY 1989. As I have discussed before, these requirements are driven primarily by delivering capital equipment and expansion of our drug law enforcement responsibilities. I have attached a representative list of my highest priority operational needs that are candidates to receive the 500 billets freed up by my realignment. But this is a dynamic process. Specific allocations will depend on FY 1988 budget success, actual facility delivery dates and our FY 1989 budget allowances.

FY 1989 OE PERSONNEL REQUIREMENTS CAPITAL ACQUISITION FOLLOW-ON, FEBRUARY 24, 1987

Reference number and item/acqisition	FTP	FTE
1—WMEC 270 Program	194	161
Less: Decommissionings	−139	−55
Net: WMEC 270 program	55	106
2—WPB 110 program	190	134
Less: Decommissionings	−90	−144
Net: WPB 110 program	100	90

FY 1989 OE PERSONNEL REQUIREMENTS CAPITAL ACQUISITION FOLLOW-ON, FEBRUARY 24, 1987—Continued

Reference number and item/acqisition	FTP	FTE
3—WHEC 378 Post-Fram crewing	103	84
Net: Post-Fram crewing	103	84
4—Drug OMNI/air interdiction	448	448
Net: Drug/air interdiction	448	448
5—C130 Program	90	90
Net: C130 Program	90	90
6—Rescue Swimmer Program	70	70
Net: Rescue Swimmers	70	70
Total (Net) FY 89 requirements	866	888
PLus: FY 88 annualizations	0	435
Grand total FY 89 requirements	866	1323

Note.—FTP stands for Full Time Position. FTE stands for Full Time Equivalency. Each new billet requires 1 FTP to be established. FTE is calculated (normally on a quarterly basis) based on the amount of time the billet is actually filled. FTE equates closely to salary dollars expended during any particular fiscal year. For example, a billet established in 1 January 87 and filled from 1 April through the end of the fiscal year would require 1 FTP and .5 FTE.

Question. If you do not receive additional operating expense funding to help deal with your personnel shortage, what other realignment plans will have to be implemented?

Answer. It would be premature at this time to anticipate any specific actions until final FY 1988 appropriation levels are determined. However, we are constantly looking for ways to find new economies and efficiencies in our ways of doing business. Such efforts have provided over 2000 personnel as budget offsets over the past five years. I expect such initiatives to continue.

Question. Your budget indicates a shortage of experienced fixed-wing aviators. What is the nature and reason for this shortage, and what are you doing to correct it?

Answer. The fixed-wing aviator shortage is being felt two ways: billet vacancies and diminished experience levels. There are currently 24 fixed-wing aviator billets vacant at the O-2/O-4 level, 12% of the total 206 duty standing billets. Of these 206 billets, 120 should be filled by Aircraft Commanders. We presently have only 96 qualified Aircraft Commanders, a shortage of 20%.

The shortage of experienced fixed-wing aviators is due primarily to the aggressive hiring trends of the major commercial airlines. This high pilot demand within the civilian sector is forecasted to continue through 1990. Recent billet increases for the E-2C and other mission areas within the Coast Guard have also contributed to the shortage, but to a lesser degree.

We have implemented several initiatives to minimize the aviator shortage. These include: assignment of more senior aviators into junior billets; reassignment of junior officers from staff duty back into the cockpit; increasing reliance upon the Direct Commissioned Aviator program; and transition of experienced rotary-wing aviators into fixed-wing aircraft.

Question. Senator Stevens introduced S. 910 on April 3 to extend to Coast Guard employees the benefits of a DoD law to provide housing assistance for employees reassigned as part of any complete or partial closing of a military installation.

What has been the Defense Department's experience in administering the law? What problems have been encountered with the program?

Does the Coast Guard have an estimate of the likely cost of such a program?

Answer. According to the U.S. Army Corps of Engineers who administer the Homeowners Assistance Program (P.L. 89-754) for DoD, they have had no problems with this program. It has provided financial relief to thousands of impacted military members and civilian employees, yet has not created an excessive administrative burden. Although numerous DoD-base closures resulted in high utilization rates during the 60's, activity has decreased considerably during the last few years. Coast

Guard inclusion in the program could be readily accommodated by the Corps of Engineers.

There is no way to accurately estimate the total cost of the Coast Guard's involvement in the program. It depends on how many areas are affected, what the pre-base closure housing market was like and the Coast Guard's impact on that market, and the relief alternatives that are finally implemented. The Corps of Engineers reports that the cost has averaged approximately $5K per member affected.

Question. Please list the Coast Guard units now located in South Carolina, and state the number of personnel assigned to each. Which of these personnel, and how many, are involved mainly in search-and-rescue work and which are primarily involved in military readiness activities?

Answer. The following Coast Guard units are located in South Carolina:

Unit (homeport)	Number of personnel assigned	
	Military	Civilian
1. USCGC Cape Knox (Charleston)	14	
2. USCGC Escape (Charleston)	75	
3. USCGC Papaw (Charleston)	48	
4. USCGC Rambler (Charleston)	18	
5. Group Charleston	24	
6. Base Charleston	39	16
7. Marine safety office Charleston	17	4
8. Station Georgetown	28	
9. Aids to navigation team Georgetown	4	
	267	20

The Coast Guard is an Armed Force of the United States. As such, all of our units have a collateral military readiness responsibility at all times. All of our units also have multimission responsibilities, including search and rescue. The South Carolina units whose primary duties involve search and rescue are: USCGC Cape Knox, Group Charleston and Station Georgetown.

Question. Given that Charleston is one of the top five U.S. strategic ports, is your current level of staffing for the Charleston Marine Safety Office and other South Carolina units sufficient for effective maritime defense zone operations?

Answer. The current peacetime allowance of one hundred personnel for Charleston units is insufficient for wartime port security duties. However, since Charleston is a strategic port, current plans provide for a four hundred person increase on initial mobilization. Military essential tasks will be accomplished first. Other less critical tasks will be accomplished as operational tempo permits. The Marine Safety Office will by no means be the only unit conducting defense operations in Charleston. There will be additional Coast Guard cutters and small boats assigned and Navy Mine countermeasures, inshore undersea warfare and explosive ordnance disposal units provided as required and available. Specific MDZ operations plans for Sector Six, including Charleston, S.C., are in their first revision.

Question. Please outline the specifics of the administration's user fee proposal.

Answer. There would be user charges for those Coast Guard services which primarily benefit individual recipients or user groups rather than the general public at large. The burden of financing costs incurred by the Coast Guard would shift from the general taxpayer to the recipients of special benefits. General taxes would continue to finance Coast Guard services which benefit the general public at large.

Those who would be charged a fee include recreational boaters, commercial fishermen, and commercial vessels engaged in inland, coastwise or international trade. Owners, operators or persons in charge of vessels which operate in or on waters subject to the jurisdiction of the United States would pay for the documentation and inspection of their vessels. Individuals who receive licenses, certificates or merchant mariners' documents would also pay for them. Fees would be charged for the inspection of terminals and offshores facilities located on or adjacent to water subject to U.S. jurisdiction.

Those who fail to pay the prescribed fees would be liable for a civil penalty.

The revenues collected would be deposited in the general fund of the Treasury as proprietary receipts and ascribed to Coast Guard activities.

Question. How did you go about deciding on the fees to be charged? What was your basis for determining the value of the service to the user and the cost of providing the service?

Answer. Fees would be charged only for those services that benefit specific individuals or groups rather than providing broad benefits to the general public at large. The fees are based on the cost of providing services to those users or user groups.

Since there is no way to quantify the monetary value of a service received by a specific individual recipient, previous court interpretations of the General User Fee Statute have used the cost of providing the service as the basis of establishing the amount of the fee to be charged.

Question. Are you familiar with the idea advanced by this committee of charging user fees associated with a low-cost stamp that would allow the purchaser to use all Coast Guard services during that year without further charge? Was this approach considered in developing this year's fee proposal?

Question. Yes. We are familiar with the concept of purchasing a stamp which would provide the purchaser with access to a bundle of Coast Guard services, and have considered it in the Administration's legislative proposal. The annual fee proposed for recreational boaters, for example, would utilize this concept. That fee would recover Coast Guard costs appropriately allocated to recreational boaters for search and rescue readiness, short range aids to navigation and boat safety services.

It is not suggested, however, that this method of setting user fees be applied across the board for every Coast Guard service. For example, owners or operators of commercial vessels that receive an inspection should pay for the inspection on an individual basis. The guiding principles applied in choosing a method of collecting user fees from various recipients of Coast Guard services were equity and administrative simplicity. The fees should fairly reflect the cost of providing the service to the recipients. In addition, the costs and administrative burden associated with collecting the fees should be minimized as much as possible.

Question. Boaters already pay over $100 million each year in Federal motorboat fuel taxes. What is the justification for charging more?

Answer. There is a limit imposed on the amount that can be transferred from the Boat Safety Account of the Aquatic Resources Trust Fund to fund Coast Guard operating expenses. Most of the motorboat fuel taxes are used to fund other federal programs.

The entire amount of revenues collected for motorboat fuel taxes are less than the costs incurred by the Coast Guard to provide services to recreational boaters, which are expected to exceed $230 million in fiscal year 1987.

Question. What impact will the administration's user fee proposal have on the Coast Guard's non-emergency towing policy?

Answer. Our non-emergency towing policy is driven by factors independent of the user fee issue, and therefore we would not anticipate changing this policy based on the proposed user fee. We seek to achieve a balance between the concepts of volunteerism and privatization.

Question. Will the Coast Guard receive any benefits from the user fee revenues collected?

Answer. Charging for those services which provide special benefits to recipients will enable the Coast Guard to allocate its limited resources more efficiently. Although the proposed fee levels are determined by the current costs of providing the associated services, the future level of services provided will depend on the level of demand for those services and on funding limitations set by the federal budget process.

The revenues collected from user fees would be deposited in the general fund of the Treasury as proprietary receipts. The expected amount of fees to be collected would be cited in the federal budget as an offset to expenses incurred by the Coast Guard to provide services to users or user groups from whom the fees are collected.

The fees will also increase fairness and equity in the distribution of the federal tax burden, since those who have been receiving special benefits from services which have historically been financed through general tax revenues would now bear the cost. This is similar to the concept under which user fees are collected to fund the cost of federal highways, the federal air traffic safety system, and many other federal programs.

Question. Your proposal calls for indirect fees to be charged to boaters and commercial fishermen. Since these fees would be charges whether or not services were actually received, isn't this really a tax, not a user fee?

Answer. From a technical perspective, the indirect fee contained in the legislation might be challenged as being a tax rather than a fee. The same is true of the tax on

fuel used to fund federal highways and the tax on airplane tickets, which are actually user taxes rather than user fees. All of the above are user charges, which can be a user tax when the amount is set by Congress, or a user fee when the amount is set by the Executive branch.

Question. Given the depressed economic conditions of a number of commercial fisheries, can you be certain that charging an indirect fee won't cause economic harm?

Answer. The fees that would be paid by commercial fishing vessels are based on the costs incurred by the Coast Guard to support commercial fishing, specifically the costs of providing search and rescue and short-range aids to navigation services. The Coast Guard is not in a position to accurately assess the economic condition of the various commercial fisheries. In general, their success would seem to vary with respect to type of species sought, geographic area and time of year.

Question. Your policy of random boardings of U.S. vessels along the coast has encountered a good deal of criticism lately. In particular the Coast Guard has been criticized for overly aggressive boarding and for unnecessary repeated boardings of the same vessel. What are you doing to respond to this criticism?

Answer. The Coast Guard endeavors to exercise its boarding authority in a reasonable and professional manner. Boardings are designed to detect and suppress violations of all applicable United States laws. The scope of the Coast Guard's examination is carefully limited to ascertaining the vessel's compliance with the documentation or numbering statutes and with various applicable statutes or regulations. If during an inspection a reasonable suspicion is developed that the vessel is, or has been, engaged in criminal activity, the boarding officer may investigate further as necessary to confirm or refute the suspicion. Of course, if the vessel is subject to a customs inspection by having crossed the U.S. border or its equivalent, a more thorough search of the entire vessel may be conducted.

In enforcing these laws, the Coast Guard is mindful that citizens have a right to be free from unreasonable searches and that, by far, most of the people using the sea are innocent, law abiding citizens. To this end, we have been aware that our method for documenting boardings should be improved so as to avoid repetitious boardings of legitimate vessels. We are currently developing a law enforcement information system which will help us keep better track of the boardings we conduct and make the information available to other boarding units. This will result in a more coordinated and effective boarding program. We have restressed that the manner in which we conduct boardings is very important.

Current Coast Guard policy generally requires that our boarding parties be armed. Coast Guard personnel are instructed that pistols are to be holstered, and rifles and shotguns, if used, are to be carried at the ready—that is, they are not pointed at anyone. The factors that have led to the recent emphasis of the Coast Guard's responsibilities in the area of law enforcement have also led to requirements for our boarding parties to be able to protect themselves. Every member of the boarding party receives a significant amount of training in handling the weapons, our use of force policy, and the proper conduct of a boarding.

Coast Guard boardings are intended to serve the best interests of the maritime community and the entire nation with minimum inconvenience to the large body of law abiding citizens who want to enjoy the richness of our waters. We certainly do not wish to endanger or needlessly harass anyone and we regret any action that may have caused that feeling. Our intention is to promote a safe, secure, and enjoyable environment for all.

Question. Under section 3 of the Recreational Boating Safety Act of 1986 (P.L. 99-626), seven of the 21 members of the National Boating Safety Advisory Council must be appointed from "national recreational boating organizations and from the general public, at least 5 of whom shall be members of national recreational boating organizations."

Please name current members of the council who are members of national recreational boating organizations. Identify the boating organization to which each belongs and explain why each such organization qualifies as a "national recreational boating organization."

If the current composition of the council does not meet the requirements of the new law, please provide this committee with your timetable for bringing the council membership into compliance with the act.

Answer. Among the seven current council members from the category "National Recreational Boating Organizations and from the general public," memberships in National Recreational Boating Organizations are held by:

Mr. A Newell Garden, National Safe Boating Council, Inc.

Mr. Ronald A. Sarasin, Boat Owner's Association of the U.S.

Mr. Herman T. Van Mell, U.S. Yacht Racing Union.
Mr. Chandler L. Van Orman, U.S. Yacht Racing Union.

The National Safe Boating Council is a non-profit organization composed of 52 private and public boating oriented organizations such as the U.S. Power Squadrons, U.S. Coast Guard Auxiliary, American Red Cross, Boy Scouts, Girl Scouts, YMCA, Boat Owner's Association of the U.S., U.S. Coast Guard, etc. The Council sponsors National Safe Boating Week (annual) and the National Boating Education Seminar (annual).

Boat Owner's Association of the U.S. is a lobby/marine insurance/chandlery operation which has approximately 225,000 boat owner members. The Boat/U.S. Foundation for Boating Safety maintains a boating education/course "Hotline" number to provide nationwide boating education course information.

The U.S. Yacht Racing Union is the national sailing authority as mandated by the Amateur Sports Act of 1978. It is a non-profit volunteer organization with a small staff in Newport, RI and exists to promote safety and enjoyment of the sport by the general public.

Three council memberships from the "public" category expire in December 1987. They are :

Mr. A. Newell Garden (Member—National Safe Boating Council, Inc.).
Mr. Joseph T. Newton III (no qualifying organization affiliation).
Mr. Ronald A. Sarasin (member—Boat Owner's Association of the U.S.).

New appointments/re-appointments to fill these three vacancies will all be required to be people who hold memberships in qualifying organizations. As of January 1, 1988, the Council will be in full compliance with the Act.

Question. The administration's proposed Coast Guard authorization legislation includes a provision to protect Coast Guard legal personnel in certain malpractice situations. Please describe the problem you are trying to correct and why this change in the law is necessary.

Answer. This amendment is proposed in order to correct an anomaly in other recent legislation. In section 1356 of the National Defense Autorization Act for Fiscal Year 1987, Pub. L. 99-661 of November 14, 1986, a provision was added to section 1054 of title 10, United States Code, "Defense of certain suits arising out of legal malpractice," which gave legal malpractice protection to all attorneys and paralegals involved in military legal assistance except Coast Guard attorneys and paralegals.

This amendment simply extends the same protection to Coast Guard attorneys and paralegals, who in fact provide the same sort of legal assistance to military personnel and dependents, including the military personnel and dependents of other services. Thus, under the law in effect now, a Coast Guard law specialist assisting dependents of Navy and Coast Guard service members is personally exposed to suit while a Navy judge advocate providing the same assistance to those same dependents is not.

As far as we know, there have not been any suits against Coast Guard law specialists. We are, however, concerned that the general explosion of tort litigation in the United States could well lead to suits in the future.

It should be noted that this protection for legal personnel is similar to that provided for medical personnel in section 1089 of title 10, United States Code (which does include Coast Guard personnel by reference to the "armed forces"), and that these provisions are also similar to the provision protecting Federal drivers in section 2679(b) of title 28.

Question. The administration has proposed certain changes to rules 3 and 27 of the Inland Navigation Rules Act of 1980 (P.L. 96-591). Which affected groups have been contacted regarding these proposed changes? Which group support the changes and which oppose them?

Answer. The changes to Rules 3 and 27 of the Inland Navigation Rules Act are minor changes to keep them consistent with the International Regulations for Preventing Collisions at Sea, 1972 (commonly called 72 COLREGS). 1983 amendments to the 72 COLREGS changes the term "Minesweeping" to "Mineclearance" and increased the distance by which these vessels should be passed from 500 to 1000 meters. The Rules of the Road Advisory Council (RORAC), the Towing Safety Advisory Committee (TSAC), the National Boating Safety Advisory Council (NBSAC), and the U.S. Navy were advised, and all fully supported the proposed changes. There has been no opposition to these changes.

QUESTIONS OF SENATOR BENTSEN AND THE ANSWERS

Question. Admiral Yost, the President has submitted to the Senate for its advice and consent, annex V of the International Convention for the Prevention of Pollution From Ships.

It is correct that the Coast Guard is the lead agency in drafting implementing legislation?

Assuming that the Senate approves this agreement by this summer, what is your timetable for submitting implementing legislation? Is there any particular urgency to getting it enacted, or will that await additional ratifications to put the agreement into force?

Answer. Yes. The Coast Guard is the lead agency for drafting legislation to implement Annex V. The Coast Guard was also the lead agency for drafting legislation for Annexes I and II of the convention. (The Coast Guard has been closely involved with Annex V ever since it was presented in the Protocol of 1978 to the Convention. We have routinely represented U.S. views in discussions and working groups on Annex V at Marine Environment Protection Committee (MEPC) meetings of the International Maritime Organization (IMO) in London. We have also been directly involved with drafting the Annex's Environmental Assessment for the State Department and drafting the submittal and transmittal documents for the President and Senate.)

The Coast Guard is currently in the process of drafting the implementing legislation and should begin the clearing process in May 1987 and submission in June 1987.

Annex V is not in force internationally. Under the Articles of the Convention, Annex V will enter into force twelve months after the date on which not less than fifteen states representing at least 50% of the world's merchant shipping tonnage become parties to it. Currently, Annex V has been ratified by 27 states representing approximately 41.85% of the world's merchant shipping tonnage. The U.S. represents approximately 4.68% of the world's tonnage. Although our ratification will not bring the Annex above the percentage necessary to bring it into force, we believe that other nations will quickly follow our lead and ratify the Annex. In order to ensure the timely issuance of regulations to carry out the provisions of Annex V, it is essential that the U.S. have legislation enacted as soon as possible following our ratification.

Question. I understand that the U.S. delegation to the Marine Environment Protection Committee meeting last February announced that the United States is considering proposing to designate the Gulf of Mexico as a special area under this convention. I applaud that action for it could lead to much more stringent and effective limits on ocean dumping in the gulf. What is the process for getting international agreement on such a designation now, and what is the Coast Guard role in this process?

I understand that one step is to develop detailed scientific information on the environmental impact of such a designation. I know that the Texas Land Commission has already contracted for some studies on this issue. Will the U.S. Government have to prepare additional studies? If so, does the Coast Guard have sufficient funds and authorization to undertake such studies in a timely fashion?

Answer. A "Special Area" under Annex V of MARPOL 73/78 is defined as "A sea area where for recognized technical reasons in relation to its oceanographical and ecological condition and to the particular character of its traffic the adoption of special mandatory metods for the prevention of sea pollution by garbage is required". The Texas Land Commission has contracted with the Center for Environmental Education (CEE) to conduct a study of the Gulf of Mexico to determine the desirability of designating it as a "Special Area." If the technical data developed during the study of the Gulf of Mexico indicates that designation as a "special area" for purposes of Annex V appears appropriate then further consultations on the desirability of this action will be made with countries and U.S. states bordering the Gulf of Mexico, as well as representative U.S. industries. U.S. consultations would use the mechanism of the Department of State's Shipping Coordinating Committee. If a consensus can be reached among all concerned then the U.S. delegation to IMO's MEPC will submit a formal amendment to Annex V for that Committee's consideration for adoption.

The Coast Guard leads the U.S. delegation to the MEPC and will coordinate the development and submission of the formal Annex V amendment to that committee, through the Department of State Shipping Coordinating Committee.

We anticipate the study which the CEE has undertaken for the Texas Land Commission should provide adequate scientific documentation to show why the Gulf of

Mexico should be considered a special area. Therefore, no additional studies by the U.S. government are anticipated at this time. The Coast Guard does not have funds available to undertake additional studies.

QUESTIONS OF SENATOR DANFORTH AND THE ANSWERS

Question. Section 9 of the FY 1987 Coast Guard Authorization Law (P.L. 99-640) directed the Secretary of Transportation to investigate and submit a report on the Coast Guard Auxiliary and the effect, if any, of the Coast Guard's non-emergency towing policy on the overall effectiveness of the auxiliary.

Please provide for the record a detailed description of your progress thus far, and your plans for completing the Coast Guard Auxiliary report, including: Who is investigating the problem and preparing the report; and outline, setting forth the elements to be covered by the report and a schedule for their completion; and what arrangements have been made to gather complete information on the issue and give interested persons an opportunity to provide such information and express their views.

Answer. A study group has been convened consisting of representatives from the staffs of various Coast Guard Headquarters offices, including Boating, Public, and Consumer Affairs (Deputy Office Chief is the study group chairman), Operations, Readiness and Reserve, Navigation, Marine Safety, Security and Environmental Protection, and Chief Counsel of the Coast Guard. A private contractor is being engaged to prepare and conduct a survey of Coast Guard Auxiliarists and regular uniformed Coast Guard members concerning the employment of the Auxiliary and attitudes toward the Auxiliary. Available data concerning activity and membership in the Auxiliary and employment of the Auxiliary in the search and rescue mission area is being analyzed. Public comment from the public as a whole, including that of Auxiliarists not covered specifically by the survey and commercial towers, will be solicited through the Federal Register. The final report will cover the information obtained from these three sources as well as an evaluation of future roles for the Auxiliary. It is scheduled for completion by November 10, 1987.

CHARTER FOR THE DEVELOPMENT OF A REPORT TO THE U.S. CONGRESS ON THE UNITED STATES COAST GUARD AUXILIARY

Background

It is agreed that the vitality of the Coast Guard Auxiliary and its inherent value to the maritime community should be reviewed. The Secretary of Transportation, and the Commandant, U.S. Coast Guard recognize this as a need, and the U.S. Congress in enacting the Coast Guard Authorization Act of 1986 has called on the Secretary of Transportation to investigate and submit to the Congress a report regarding recent declines in Ausiliary membership and the causes thereof, the effects on the maritime community of any declines in the performance levels of the Auxiliary, and any effects as may be evidenced on the overall effectiveness of the Auxiliary by the existence and application of the Coast Guard's non-emergency assistance policy. The report to Congress will also include any such recommendations for administrative and legislative actions as the Secretary considers appropriate "to achieve and maintain the Coast Guard Auxiliary at its optimum strength."

Concept

To assist the Secretary of Transportation in assessing actions which may be appropriate to recommend in responding to the Congressional request for a report on the viability of the Coast Guard Auxiliary, the Coast Guard will conduct a study of the requirement, and identify a mission need, for the Auxiliary. In studying the mission need for the Auxiliary, the Coast Guard will consider its own roles and missions, the purposes of the Auxiliary as defined in originating legislation, the views of both current and former members of the Auxiliary, past and present performance of the Auxiliary, and views of the Auxiliary expressed by the maritime community. A report shall be developed to make specific recommendation to the Secretary for actions required outside existing Coast Guard statutory authority to sustain the effectiveness and future utilization of the Coast Guard Auxiliary.

Assumptions:

1. The Coast Guard Auxiliary serves the safety and security of the American people.
2. The strength and vitality of the Coast Guard auxiliary is important to the United States.

3. The Coast Guard Auxiliary will exist as a civilian, volunteer organization affiliated with the United States Coast Guard.

4. The mission need identified for the Coast Guard Auxiliary will be developed for the period 1987 to 2000.

Method

1. The study will assemble and consider all statutes, legislative histories, and judicial opinions affecting the existing relationship between the Coast Guard and the Auxiliary. These will be analyzed to determine what mandatory and discretionary authorities the Coast Guard has in administering the Auxiliary and define what legal limitations currently apply in utilizing the Auxiliary to assist the Coast Guard.

2. Against this legal and operating background, the study will reveiw the recommendations of the 1982 Coast Guard Roles and Missions Study and current Coast Guard Operating and Support Program Plans to determine what actual and potential mission requirements exist for the Auxiliary through the year 2000.

3. The study will survey the views of Coast Guard personnel, both past and present members of the Auxiliary, and elicit views from the maritime community regarding the current and potential performance of the Auxiliary. Particular emphasis will be placed on ascertaining the appropriate roles for the Auxiliary, and identifying those factors which contribute most significantly to attracting and sustaining membership in the Auxiliary.

4. The study will apply the foregoing information, to develop a mission need statement for the Auxiliary along the lines of guidelines promulgated under OMB Circular A-109 and DOT Order 4200.14B. Central to this determination will be the development of optimum strength characteristics to satisfy Auxiliary requirements specified in the mission need.

5. The study will examine existing regulations and policy affecting the Auxiliary to identify factors which may have contributed to a decline in Auxiliary membership, or which may limit acheiving or sustaining the optimum strength characteristics defined in the mission need statement. To the extent alterable, specific recommendations for administrative or legislative change will be proposed for the Commandant and/or Secretary's review.

6. With approval of the mission need statement, the study will conclude by preparing the report requested by Congress, including the specific recommendations for legislative and/or administrative action approved by the Secretary as necessary to achieve and maintain the optimum strength of the Auxiliary.

Task organization

Task 1—Data Collection

Objective.—Collect data to address the following questions, and such others as may be appropriately identified during the course of the study.

What motivating factors attract and sustain membership in the Auxiliary?

What are the significant factors contributing to membership attrition in the Auxiliary?

What are the attitudes within the Coast Guard and among Auxiliarists regarding the appropriate roles of the Auxiliary and the capability of the Auxiliary to fulfill these roles?

What are the views of the maritime community regarding past and current Auxiliary performance?

How do other volunteer organizations assess optimum membership characteristics? What factors do they employ to achieve and maintain optimum strength?

Subtask 1.1—Design Survey Plan

Objective.—Assess attitudes of both past and present members of Auxiliary regarding factors attracting and sustaining membership, and assess attitudes among Coast Guard personnel and Auxiliarists regarding performance of the Auxiliary and appropriate roles the Auxiliary should fulfill.

Task elements

1.1.1 Design Disenrollee Survey
1.1.2 Design Active Member Survey
1.1.3 Design Coast Guard Survey
1.1.4 Identify sample sizes
1.1.5 Develop coding requirements
1.1.6 Distribute surveys
1.1.7 Code and edit returned surveys
1.1.8 Tabulate results

Subtask 1.2—Elicit Views of Maritime Community

Objective.—Solicit general public attitudes toward current and past Auxiliary performance.

Task elements

1.2.1 Prepare Notice for Federal Register
1.2.2 Advertise Notice
1.2.3 Collate responses
1.2.4 Tabulate results

Subtask 1.3—Survey Other Volunteer Organizations

Objective.—Solicit methods for determining strength requirements and how achieved.

1.3.1 Identify target organizations
1.3.2 Determine mode of survey (letter or interview)
1.3.3 Conduct survey
1.3.4 Collate and tabulate results

Task 2—Develop Legal and Operating Background

Objective.—Determine status of legal relationship between the Coast Guard and Auxiliary to address the following questions, and such others as may be appropriately identified during the course of the study.

How is the Auxiliary legally defined?

What are the Coast Guard's mandatory and discretionary authorities in administering the Auxiliary?

What legal limitations must the Coast Guard observe in making use of the Auxiliary?

What is the validity of the premise that the voluntary nature of the Auxiliary grants it a status different from that of the regular Coast Guard, particularly in the Auxiliary's role in SAR vis-a-vis private enterprise?

Subtask 2.1—Develop Legal History

Objective.—Construct legal history of the Auxiliary considering all statutes, legislative histories, and judicial opinion.

Task elements

2.1.1 Assemble documentation
2.1.2 Review and collate information
2.1.3 Prepare documentary history

Subtask 2.2—Identify nature and extent of Coast Guard authority

Objective.—Analyze legislative history to determine mandatory and discretionary authorities of Coast Guard in administering Auxiliary

Task elements

2.2.1 Collate information
2.2.2 Tabulate results
2.2.3 State recommended changes

Subtask 2.3—Identify operating limitations

Objective.—Determine legal limitations Coast Guard must observe in making use of Auxiliary.

Task elements

2.3.1 Collate information
2.3.2 Tabulate results
2.3.3 State recommended changes

Task 3—Define preliminary mission requirements

Objective.—Assemble and review information to answer the following questions, and such others as may be appropriately identified during the course of the study.

Is the scope and extent of current Auxiliary support to the Coast Guard consistent with the recommendations of the 1982 Coast Guard Roles and Missions Study?

How does Auxiliary performance now compare to 5 years ago? 10 years ago? What factors influence changes identified in performance?

Are there areas of Coast Guard roles and missions in which the Auxiliary should become involved; and conversely, what functions would remain inappropriate considering the character of the Auxiliary?

Does the Auxiliary's status as a civilian volunteer organization limit the Coast Guard's ability to make full use of their capability? What alternatives exist, and where would they be appropriately applied?

What mission requirements will exist for the Auxiliary in 1990? In 1995? In 2000?

Subtask 3.1—Analyze performance of Auxiliary over the past 10 years.

Objective.—Identify changes and trends in Auxiliary performance and causes thereof.

Task elements

3.1.1 Assemble Information
3.1.2 Analyze Data
3.1.3 Document Results

Subtask 3.2—Compare Auxiliary performance with recommendations of 1982 Coast Guard Roles and Missions Study.

Objective.—Determine if Auxiliary performance has been consistent with recommendations of Roles and Missions Study.

Task elements

3.2.1 Tabulate R&M Study Recommendations for Auxiliary
3.2.2 Compare Auxiliary Performance with Recommendations
3.2.3 Identify and Document Consistencies and Differences

Subtask 3.3—Assess scope of Auxiliary alternative to Coast Guard productivity improvement

Objective.—Using Coast Guard Operating and Support Program Plans as a guide, identify current and potential opportunities where Auxiliary involvement can feasibly improve Coast Guard productivity, and assess the practical degree of alternative afforded by Auxiliary involvement in each.

Task elements

3.3.1 Assemble Information and Review
3.3.2 Identify opportunities that currently pose alternatives
3.3.3 Identify potential opportunities that, with change, would pose alternative. Identify changes required
3.3.4 Document results.

Subtask 3.4—Tabulate potential auxiliary mission requirements

Objective.—State practical expectation of Auxiliary mission requirements at 5 year intervals through the year 2000.

Task elements

3.4.1 Develop criteria to screen potential Auxiliary mission requirements in terms of practicality
3.4.2 Assess extent of mission requirements screened
3.4.3 Tabulate results

Task 4—Data analysis

Objective.—Analyze data acquired through Task 1 to answer the following questions, and such others as may be approriately identified during the course of the study.

What current factors most significantly contribute to attracting and sustaining Auxiliary membership? To attrition?

Do current factors affecting Auxiliary membership strength vary from those encountered by other volunteer organizations? If so, why?

How do current views differ among Coast Guard personnel, Auxiliarists, and the general public regarding:

Appropriate roles for Auxiliary?

Capabilities of Auxiliary?

How do current views on the Auxiliary vary from 1976 and 1984 surveys? What changes exist and why?

Subtask 4.1—Analyze data

Objective.—Compare attitudes and views among Coast Guard, Auxiliary, and general populations identifying trends and causes thereof.

Task elements

4.1.1 Develop plan for analysis
4.1.2 Formulate conclusions
4.1.3 Develop recommendations
4.1.4 Document results

Task 5—Develop mission need

Objective.—Consistently organize the information developed in Tasks 1 through 4 along the guidelines of OMB Circular A-109 and DOT order 4200.14B to state a mis-

sion need for the Coast Guard Auxiliary valid through the year 2000. The stated mission need will preview the scope and extend of envisioned roles and missions to be fulfilled by the Auxiliary, and will preview legislation proposals that may be required. The statement will be documented in sufficient detail as to support justification and will serve as an interim report and decision vehicle for Commandant and Secretarial review. Decisions by the Secretary will bound the scope of the remaining study.

Task 6—Develop optimum strength characteristics

Objective.—Optimize the membership and capability requirements for the Auxiliary to meet the elements of the stated mission need receiving Secretarial approval. Specific legislative proposals will be developed to support achieving and sustaining optimum strength characteristics identified.

Subtask 6.1—Determine optimum strength characteristics

Objective.—Identify optimum membership facility levels to meet required mission need. Assess limiting factors to achieving and sustaining these strength characteristics.

Task elements

6.1.1 Develop methodology
6.1.2 Assess membership requirements
6.1.3 Assess facility requirements
6.1.4 Identify constraining factors
6.1.5 Determine cost-benefit relationships

Subtask 6.2—Develop legislative proposals

Objective.—Identify factors constraining the achievement and maintenance of optimum Auxiliary strength characteristics which would be alleviated through legislative action. Develop appropriate legislative proposals.

Task elements

6.2.1 Tabulate factors
6.2.2 Develop proposals
6.2.3 Document justification

Task 7—Administration, regulation and policy review

Objective.—Conduct review of Coast Guard posture in meeting statutory requirements for administering the Auxiliary. Identify resource requirements that may exist to achieve and support Auxiliary optimum strength characteristics. This task will answer the following questions, and such others as the study group may deem appropriate through the course of the study.

What are the salient elements of the existing Coast Guard role in administering the Auxiliary? What resources will be required to sustain this role with the Auxiliary at optimum strength? Are there alternatives?

Where can legislative actions assist in optimizing the Coast Guard's role in administering the Auxiliary?

Can existing regulations and policy be altered as an alternative to legislative actions?

Subtask 7.1—Identify optimum role of Coast Guard in administering the Auxiliary

Objective.—Considering optimum strength characteristics of Auxiliary, determine cost alternatives for Coast Guard administrative posture.

Task elements

7.1.1 Develop alternatives
7.1.2 Determine cost-benefit relationship
7.1.3 Develop recommendations

Subtask 7.2—Identify legislative proposals to improve Coast Guard administrative posture

Objective.—Determine requirements for legislative action to sustain effective Coast Guard administration at Auxiliary optimum strength characteristics.

Task elements

7.2.1 Identify requirements
7.2.2 Develop proposals
7.2.3 Document justification

Subtask 7.3—Identify administrative alternatives available to Coast Guard within existing statutory authority

Objective.—Determine improvements to Coast Guard administration of Auxiliary available within existing authority.

Task elements

7.3.1 Identify alternatives
7.3.2 Determine cost-benefit relationships
7.3.3 Develop recommendations

Task 8—Prepare report to U.S. Congress

Question. An article in the April 8, 1987, edition of the Journal of Commerce discussed the Coast Guard's pending regulations relating to the use of alcohol aboard commercial vessels. The American waterways operators has called for a total ban, and has expressed concern that your proposed 0.04 percent blood alcohol standard would undermine the effectiveness of its members self-imposed prohibitions.

What is your position on this issue? Why should people be permitted to operate commercial vessels with up to 0.04 percent alcohol in their blood?

Answer. There currently is no specific provision in Federal law which authorizes the Coast Guard to ban alcohol on commercial vessels. The Coast Guard Authorization Act of 1984 directs the imposition of civil or criminal penalties for an individual who is intoxicated when operating a vessel, as determined under standards prescribed by the Secretary by regulation. The Coast Guard has interpreted this to mean that alcohol use was not intended to be prohibited to all individuals on board all vessels, rather than certain individuals found to have a blood-alcohol concentration level above established standards would be in violation of the law. A further indication of Congressional intent is contained in the Anti-Drug Act of 1986 which specifies a blood-alcohol concentration standard of .10 or more as the level which defines operating a common water carrier under the influence of alcohol. While a "common water carrier" is not well defined, this legislation also indicates that consumption of alcohol in connection with vessel operations beyond established limits is a violation of the law.

Accordingly, our Notice of Proposed Rulemaking of May 23, 1986, entitled Operating a Vessel While Intoxicated, defines what we believe are appropriate standards for determining intoxication relative to vessel operations. Included is the 0.04 blood alcohol concentration standard which studies have indicated is the level at which individual impairment may begin. This standard is consistent with similar intoxication rules established by the Federal Railroad Administration and Federal Aviation Administration.

The preamble to the May 23, 1986 proposals encouraged marine employers to implement a total ban on the use of intoxicants on their vessels.

I understand that you are soliciting proposals to provide equipped and crewed icebreakers for lease by the Coast Guard and that the costs of leasing will be compared with the costs of purchasing such vessels.

Question. Will your proposal solicitation and evaluation process ensure that you will be able to compare the costs of leasing or buying a U.S.-built icebreaker with the costs of leasing or buying a similar, foreign-built icebreaker?

Answer. If foreign competition is permitted by the Congress the Coast Guard is certain of receiving bid proposals from foreign yards which would be compared to U.S. yard bid proposals, subject to Buy America provisions. The solicitation evaluation procedures will include provisions for comparing technical and cost benefits for both the lease and direct construction option.

Question. I understand that the Coast Guard has conducted a drug abuse detection, counseling, and treatment program for its personnel over the past several years. Please provide a description of the program and your evaluation of its effectiveness.

Answer. Since July 1984, the Coast Guard's policy has been to discharge all military drug users following a confirmed single incident. (Under exceptional circumstances, members E-3 and below may be retained after one incident.) Until May 1986, members diagnosed as drug dependent prior to entry into the Coast Guard were rehabilitated through a military medical facility prior to being processed for discharge. Since then, members diagnosed as drug dependent are not rehabilitated but simply advised of their eligibility for treatment through the Veterans' Administration. In that drug abuse undermines and jeopardizes safety, moral, and mission performance, retention after a drug incident is deemed incompatible with our law enforcement role.

To detect drug abusers, we randomly collect urine samples from active duty members and Reservists at a rate of approximately 125% of the total population per

year. The samples are screened by a civilian contract laboratory for seven illegal drug groups. Samples which initially screen positive are confirmed by gas chromotography with mass spectrometry. Members whose samples confirm positive and who are judged as having wrongfully used drugs are processed for a General Discharge by reason of misconduct.

Positive urinalysis test results have declined from more than 10% of the samples tested in FY83 to approximately 3% of the samples tested in FY86. We feel that random urinalysis testing, coupled with an unequivocable discharge policy, form an effective deterrent to illegal drug use.

Question. A recent article in Defense Week and other information suggests that the Coast Guard's fleet renovation and modernization (FRAM) program has experienced a number of contract management problems resulting in the work on the first two of the scheduled twelve cutters being one year behind and appproximately $80 million over budget. Please provide your response to these suggestions, including a description of the status of the Fram Program, steps you have taken to resolve any problems that exist, and how you propose to fund any excess over budget that has resulted or will result from these problems.

Answer. Todd Seattle is behind schedule and has experienced design problems. Bath Iron Works has been delayed by design problems as well as unanticipated repairs required on HAMILTON's reduction gears. Neither shipyard has produced an acceptable and contract required Critical Path Method (CPM) work schedule.

It is true that both contractors have blamed the Coast Guard for the problems experienced to date. They have submitted Requests for Equitable Adjustment totaling $75.7 million. In negotiating the contractor Request for Equitable Adjustment, we will accept only that measure of schedule delay and increased cost for which the government is responsible. If and when funding is required in addition to that currently requested, the Coast Guard will seek any necessary increase in appropriation.

The Coast Guard has taken steps to improve our management of the program as start up problems emerged. The Coast Guard formed a senior management review team to look into Coast Guard and contractor business relationships. This team has been active and effective, meeting with both contractors and Resident Ispection Office personnel. We have added 25 permanent billets to the Resident Inspector Office staffs at the two shipyards and temporary personnel have also been assigned to assist in timely resolution of technical and contract issues.

Question of Senator Packwood and the Answer

Question. The President's request contains no funds for the alteration of bridges. I want to be sure that there will be sufficient funds for the alteration of the bridge at mile 6.9 on the Willamette River in Portland, Oregon. The Coast Guard ordered reconstruction of that bridge to remedy safety and navigation problems and the Congress has authorized and appropriated funds for that work in previous years. Please provide a detailed description of your plans and schedule for funding the work on the Willamette River Bridge.

Answer. There are currently 11.8 million dollars available for the project. These funds are sufficient for approximately twelve months work from the contract award date which should be in May 1987. The Coast Guard plans to apply 10.0 million dollars of the reimbursement it has received for previous work involved in the removal of the Central New Jersey Railroad Bridge in Newark Bay, New Jersey to the Willamette River project. this action will carry the project through fiscal year 1988. Any additional money required to complete the project, will likely be requested in fiscal year 1989.

Questions of Senator Stevens and the Answers

Question. I know of at lest two recent cases in which the Coast Guard has determined that it does not have authority to remove a grounded vessel or its cargo when there is no risk of oil pollution or adverse impact upon navigation. In one case, the vessel ran aground on a coral reef off Mona Island in Puerto Rico, giving rise to concern for the reef ecosystem and endangered sea turtles utilizing the reef and beach. In the second case, the vessel ran aground off St. Paul Island in Alaska, giving rise to concern about the effects of the rotting crab harvest, debris, garbage, and sewage on the seals, fish, seabirds, and people utilizing the waters and island.

If the Coast Guard does not have authority to remove such vessels, what agency, if any does? What, if any, additional legislation is necessary to resolve this problem?

Answer. The National Contingency Plan, a federal regulation initially developed in compliance with the Federal Water Pollution Control Act (FWPCA), and more recently amended by passage of the Comprehensive Environmental Response, Compensation and Liability Act, established the framework for a national system for environmental planning and spill response. The various statutory and regulatory authorities are exercised by the predesignated federal On-Scene Coordinator (OSC). The Environmental Protection Agency provides OSCs in the inland zone. The Coast Guard provides OSCs in the coastal zone.

The OSC either monitors the actions of spillers when a response is proceeding satisfactorily, or assumes control and funding when it is not. The degree of control and funding exercised by the OSC is limited to those activities directly related to the containment, removal and disposal of oil or hazardous substances.

Both of the grounded vessel situations cited in this question involved the (USCG) OSCs exercise of control and funding to accomplish the removal and disposal of oil and hazardous substances. In neither case does the vessel currently present a hazard to navigation, or offer an oil or hazardous substance threat to either the environment or threatened or endangered species. The remaining materials do not constitute "hazardous substances" as defined by the FWPCA. Consequently, federal agencies lack the authority to proceed further under the FWPCA.

In the cases noted the vessels concerned no longer constitute a threat with respect to oil or hazardous substances. The only additional authority needed in this general area is that contained in proposed Comprehensive Oil Spill Liability and Compensation Legislation, H.R. 1632. Issues related to other threats, such as threats to endangered species, are outside the scope of Coast Guard authority and should be addressed by the cognizant federal agency.

Question. Please provide the Coast Guard's cost of enforcing the provisions of the Magnuson Fishery Conservation and Management Act relating to the conservation and management of anadromous species, consistent with section 101 of the act, in the North Pacific Ocean during 1984, 1985, 1986, and 1987.

Answer. Coast Guard accounting procedures do not distinguish anadromous species enforcement costs from other foreign fisheries enforcement costs. An estimate of these costs was determined by multiplying cutter and aircraft patrol time devoted to anadromous species by the average hourly operating costs. Estimates for 1984 through 1987 are listed below and include both direct and indirect costs of enforcement combined.

Anadromous species enforcement costs (estimate)

1984	$1,597,260
1985	2,229,591
1986	3,471,720
1987 (pred.)	2,436,000

Question. Please provide the extent, if at all, to which the actual costs of enforcing those provisions during each of those years (1984-1987) exceeded the estimates of such costs provided to the National Marine Fisheries Service for purposes of determining foreign fishing fees.

Answer. When providing enforcement cost estimates for the determination of foreign fishing fees, we only distinguish between domestic and foreign costs. Anadromous species costs have been included in our foreign cost estimates. Foreign fisheries enforcement accounts for roughly two-thirds of Coast Guard fisheries law enforcement expenditures. The Coast Guard has reported the direct and indirect costs for foreign fisheries law enforcement to the National Marine Fisheries Service. The National Marine Fisheries Service does not recover this entire amount through the fee schedule because fees are determined by the harvest level formula authorized by section 204(b)(10)(c) of the Magnuson Fishery Conservation and Management Act (16 U.S.C. 1824 (b)(10)(c)).

Question. Please provide the extent, if at all, to which the cost of an optimally effective program for enforcing those provisions would exceed the costs of the current enforcement program and the additional enforcement efforts for which such additional funds would be used.

Answer. It is difficult to define an optimal enforcement program for the management of anadromous species. Many of the domestic and international legal issues concerning such enforcement are unresolved. There is also little information on the interception of salmon by squid driftnet vessels. These unknown factors make designing an enforcement program difficult. Any cost estimate would be purely speculative.

74-919 (62)